

# DAILY REPORT

*China*

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XINHUA ON U.S. STATEMENTS TO USSR ON SALT

OW232012 Beijing XINHUA in English 1956 GMT 23 Nov 85

[Text] Washington, November 23 (XINHUA) -- The United States told Soviet Union before the Geneva summit meeting that it would follow a policy of not undercutting the SALT 2 treaty with some conditions, according to a report in THE NEW YORK TIMES today. There was no discussion of the 1979 Strategic Arms Limitation Treaty at the summit because it had been discussed previously, the report quoted a senior U.S. State Department official as saying. The official disclosed that the Reagan administration would follow the SALT 2 treaty with three conditions:

1. The Soviet Union does not undercut the treaty;
2. The Soviet Union continues to negotiate meaningfully for arms reduction agreements;
3. The United States has the right to take "appropriate, proportionate responses" to actions not permitted by the treaty.

The United States would deploy Midgetman and MX missiles as a proportionate response to the deployment of SS-24 and SS-25 missiles by the Soviets, the official said.

U.S., USSR TO RESUME DIRECT COMMERCIAL FLIGHTS

OW230205 Beijing XINHUA in English 0153 GMT 23 Nov 85

[Text] Washington, November 22 (XINHUA) -- The United States and the Soviet Union have reached a tentative agreement to resume regular direct commercial flights between the two countries, announced the U.S. State Department today. Under the agreement reached by the U.S. and Soviet civil aviation delegations in Moscow, the U.S. Pan American World Airways will serve Moscow and Leningrad and the Soviet airline Aeroflot will fly to New York and Washington. The services will begin in 1986.

Observers here noted that this is the first agreement reached between the two countries after the Geneva summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev.

The Reagan administration suspended Soviet Aeroflot landing rights in the United States in December 1982 in partial retaliation over the imposition of the martial law in Poland.

SECOND EXPEDITION TO ANTARCTICA ARRIVES 20 NOV

OW221236 Beijing XINHUA in English 1214 GMT 22 Nov 85

[Text] Santiago, November 21 (XINHUA) -- China's second expedition to the Antarctic arrived at its destination on King George Island early yesterday afternoon, it is learned here. The expedition, which flew first to Chile's "Lieutenant March" station on King George Island aboard a Chilean Airforce transport plane, was airlifted to China's "Great Wall" station by helicopters in separate groups. The nine tons of supplies that the team had brought with it were completely unloaded in the same afternoon.

The staying members of China's first expedition decorated the station to accord a warm welcome to the newcomers, and briefed them about the conditions in the South Pole. The team left Beijing on November 13 and arrived in Chile on the eighteenth.



WU XUEQIAN MEETS WITH WOLFOWITZ ON SUMMIT

OW241507 Beijing XINHUA in English 1457 GMT 24 Nov 85

[Text] Beijing, November 24 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met here today Paul Wolfowitz, assistant secretary of the United States [title as received]. [Beijing XINHUA Domestic Service in Chinese at 1612 GMT on 24 November carries a report on the meeting between Wu Xueqian and Paul Wolfowitz that adds... They had a friendly [you hao 0645 1170] conversation.] Wolfowitz arrived here yesterday to inform the Chinese Government of the U.S.-Soviet summit meeting.

Zhu Qizhen, vice-minister of foreign affairs, held talks with the assistant secretary here this morning.

CHINESE NAVAL COMMANDER CONCLUDES U.S. VISIT

OW240740 Beijing XINHUA in English 0732 GMT 24 Nov 85

[Text] Washington, November 23 (XINHUA) -- Commander of the Chinese Navy Liu Huaqing and his party today left Honolulu for home after a 12-day visit to the United States.

During the visit, the Chinese naval commander visited naval bases and facilities in New Orleans, Key West, Orlando, San Diego and Honolulu.

In Key West, U.S. Secretary of the Navy John Lehman held an official welcoming ceremony for the Chinese naval commander. While in Honolulu, Admiral Ronald Hays, commander-in-chief of the U.S. Forces in the Pacific area and Admiral James Lyons, commander-in-chief of the fleet in the Pacific, officiated at ceremonies to welcome the Chinese guests.

The Chinese naval commander and his party arrived here for a friendly visit on November 13.

REAGAN URGES 'REALISTIC' APPROACH TO USSR

OW240219 Beijing XINHUA in English 0159 GMT 24 Nov 85

[Text] Washington, November 23 (XINHUA) -- U.S. President Ronald Reagan today asked the American people to be always realistic about the deep differences with the Soviet Union.

Reagan, in his weekly radio speech, described once again the Geneva summit meetings between him and Soviet leader Mikhail Gorbachev as "a fresh start in U.S.-Soviet relations." In his first radio speech to the nation after the Geneva summit, Reagan said he rejected the Soviet proposal that the U.S. should drop its Strategic Defense Initiative (SDI), saying "after Geneva, Gorbachev understands we have no intention of doing so." Turning to the arms control talks, he said, "If there is a real interest on the Soviet side there is a chance the talks can now begin to make headway," he added.

Reagan urged the Soviet Union to withdraw from Afghanistan. If the forthcoming talks in the United Nations on the issue of Afghanistan are to succeed, "the Soviets must provide a timetable for getting out and recognize that the freedom fighters will not be conquered," he added. "We will be watching very closely for any change in Soviet activities in the Third World," he said.

Reagan also called on Congress to support his defense buildup, saying "If Congress fails to support the vital defense efforts needed, then the Soviets will conclude that America's patience and will are paper-thin and the world will become more dangerous again."

U.S. SDI DIRECTOR SAYS RESEARCH WILL CONTINUE

OW230802 Beijing XINHUA in English 0659 GMT 23 Nov 85

[Text] Brussels, November 22 (XINHUA) -- The United States will go ahead with a space-based defense shield research even if Moscow and Washington agree to drastically cut their strategic nuclear arms, said the director of the U.S. "star wars" program here today.

Lieutenant-General James Abrahamson, who was here to attend a two-day seminar on the U.S. Strategic Defense Initiative (SDI), said research into the SDI, also dubbed the "star wars" program, would continue because its true aim was to "cause the other side to change its attitude." Speaking at a press conference on the day after the conclusion of the Geneva summit between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev, Abrahamson said, "my best estimate is that we in the West could make a reasonable decision on going ahead in the full development stage in the early 1990s."

He described the "star wars" project, which is to cost 26 billion dollars for its first five years, as "the most magnificent challenge I can think of," since it will "make the world safer by preventing war." He said that the SDI played a part in the U.S.-Soviet disarmament talks. "For the first time in years," he said, "we have a proposal on the table from the Soviets for a (missile) cut, and SDI played... some role in it."

He refuted the argument that the project was too complex and costly to work and declared that major progress had been achieved in making SDI "effective and affordable," especially in the work on free-electron lasers, rail guns and gallium arsenide circuits -- a new generation of computer materials.

The "star wars" program, a gordian knot in the improvement of U.S.-Soviet relations, was not mentioned in the joint statement of the just-ended Geneva summit, apparently because of discordance on the subject between the two sides.

U.S. SENATE APPROVES MILITARY CONSTRUCTION FUNDS

OW230946 Beijing XINHUA in English 0840 GMT 23 Nov 85

[Text] Washington, November 22 (XINHUA) -- The U.S. Senate today approved, by voice vote, a bill appropriating 8.5 billion dollars for U.S. military construction projects this year. The Senate appropriation is regarded as a compromise between 8.4 billion dollars approved by the House and 8.7 billion dollars passed earlier by the Senate.

The bill includes the first expenditures for the U.S. Navy's plan to move some of its ships to new ports around the country.

The navy ships used to be based in three U.S. harbors at Charleston, South Carolina; Norfolk, Virginia; and San Diego, California. The plan will provide new home ports along the Gulf coast, in New York City, and on the west coast.

The appropriation includes 55 million dollars for roads and silo work on the U.S. Warren Air Force Base where MX nuclear missiles will be deployed. It also provides 10.8 million dollars for the building of a chemical weapons plant at Pine Bluff, Alaska. But it was said that the money can't be spent until "U.S. Congress resolves a separate fight over whether to end a 16-year U.S. moratorium and build the weapons."

SINO-SOVIET CONSULAR TREATY SIGNED IN MOSCOW

OW231217 Beijing XINHUA in English 1211 GMT 23 Nov 85

[Text] Moscow, November 22 (XINHUA) -- A new consular treaty between China and the Soviet Union was initialed here today. The previous Sino-Soviet consular treaty was concluded in 1959. In view of the fact that after 26 years a considerable part of it no longer meets the needs of the current situation, the two sides decided to replace it with new one.

The new treaty was initialed by Tian Ding, head of a consular delegation of the Chinese Foreign Ministry, and his counterpart V. Plechke.

The Chinese consular delegation arrived here on November 1 and is scheduled to leave for home on November 25.

[Beijing XINHUA Domestic Service in Chinese at 0237 GMT on 23 November carries a report on the consular treaty signed between China and the Soviet Union on 22 November that adds...Both sides reached a consensus in their talks over the revised version of the consular treaty. Ryzhov and Kapitsa, deputy ministers of foreign affairs of the USSR, had separate meetings with Tian Ding.]

MIKHAIL GORBACHEV RETURNS TO MOSCOW AFTER SUMMIT

OW221645 Beijing XINHUA in English 1634 GMT 22 Nov 85

[Excerpts] Moscow, November 22 (XINHUA) -- Soviet leader Mikhail Gorbachev returned to Moscow today after a two-day Geneva summit with U.S. President Ronald Reagan and an overnight stop in Czechoslovakia to brief Warsaw Pact leaders.

The official Soviet news agency TASS said Gorbachev was met at the airport by Soviet President Andrey Gromyko and other officials.

In Czechoslovakia yesterday Gorbachev received "full support" from other Warsaw Pact leaders for his "constructive stand" in the November 19-20 talks with Reagan, according to news reports.

So far both the Soviet Union and the United States have not yet released the details of the summit, the first top-level face-to-face contact in six years between the two superpowers.

SOVIET PAPERS REVIEW GENEVA SUMMIT OUTCOME

OW222051 Beijing XINHUA in English 1455 GMT 22 Nov 85

[Text] Moscow, November 22 (XINHUA) -- Soviet newspapers today positively and cautiously evaluated the results of the Soviet-U.S. Geneva summit which has just ended.

The government paper IZVESTIYA said in a commentary that the results of the summit "can be neither overestimated nor underestimated" if the meeting is viewed from a realistic point. The paper said that "Only the future can fully show to what extent the summit will influence the development of Soviet-U.S. relations and the entire world situation." It said that through the leaders' direct dialogue the two sides affirmed the significance of a constant dialogue between the two countries. This has manifested both sides' intention of seeking certain points on which they can come into contact so as to solve the existing problems, it said.



The Soviet Communist Party's organ PRAVDA today also commented on the outcome of the summit, saying that "the first step toward the relaxation of the world situation has already been taken, but a big struggle will be fought to eliminate the threat of a thermo-nuclear catastrophe which is still haunting the world."

More on Soviet Reaction

OW231932 Beijing XINHUA in English 1531 GMT 23 Nov 85

["Geneva Summit Starts Dialogue, Says TASS" -- XINHUA headline]

[Text] Moscow, November 23 (XINHUA) -- The leading Soviet newspaper PRAVDA today described the Geneva summit as "a start of dialogue" that could change the Soviet-U.S. relations and the world situation for the better.

In the first authoritative Soviet media assessment of the Geneva summit, PRAVDA said in a dispatch dated Geneva, where Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan met on November 19-20, "It was impossible to remove all those obstacles which accumulated year after year and which were put up along the road to developing Soviet-U.S. relations." The paper attributed the failure in Geneva to solve major disarmament issues to the U.S. "lack of readiness" to proceed from "a realistic and responsible" point of view. The paper said that the importance of the accords reached in Geneva can be shown only when they are translated into practical deeds.

Meanwhile, the Soviet newspaper SOVETSKAYA ROSSIYA called for positive U.S. response to show if Washington wants to take "practical steps" to reinforce the Soviet-U.S. Geneva accords. Otherwise, the paper says, "The great deal of work done in Geneva would be meaningless."

BEIJING RUSSIAN ON SOVIET PAVILION AT TRADE FAIR

OW250609 Beijing in Russian to the USSR 1800 GMT 24 Nov 85

[Report by Beijing radio staff member: "At the Fourth Asia-Pacific International Trade Fair"]

[Excerpts] The trade fair is being held at the newly built Chinese International Exhibition Center. A large number of economically developed countries are also participating in the fair. Computers, robots with artificial intelligence and nuclear equipment from Japan; large generators and aircraft industry and communications products from the United States; and the latest passenger and transport aircraft and laser technology from the Soviet Union are attracting numerous visitors.

The Soviet exhibition occupies 2,700 square meters, including 1,000 square meters of open space. On 18 November, Soviet pavilion day, head of the Soviet exposition (Shpakov) acquainted responsible officials from interested Chinese parties, who had come here to express congratulations, with the Soviet exhibition. In his speech, (Shpakov) first expressed satisfaction with, and gratitude to the Chinese side for, the wonderful pavilion and all the comforts provided. He said that the Soviet Union was taking part in such an enormous fair in China for the first time in 30 years. He expressed the hope that this fair would contribute to deepening mutual understanding and friendship between the peoples of the Soviet Union and China, and to developing trade and economic and scientific and technical ties between the Soviet Union and China and the other countries participating in the fair.



ANTI-JAPANESE STUDENT DEMONSTRATORS ARRESTED

OW230539 Tokyo KYODO in English 0516 GMT 23 Nov 85

[Text] Beijing, Nov. 23 KYODO -- Chinese authorities have arrested at least 100 students who took part in a street demonstration in September against the Japanese Government of Prime Minister Yasuhiro Nakasone and economic relations between China and Japan, Chinese sources said Saturday.

The sources said the students are still under detention. Many of the participants in the demonstration, the largest street rally to be staged in the capital in a decade, have been stripped of their Communist Party membership.

About 1,000 students shouted anti-Japanese slogans such as "Down with the Nakasone Government" and "Oppose Japan's economic invasion" as they marched in Beijing's Tiananmen Square on September 18. They took the action to protest Nakasone's August visit to Tokyo's Yasukuni Shrine. The first official visit to the shrine by a post-war Japanese prime minister angered many Chinese because Japanese war criminals, including those responsible for the invasion of China before and during World War II, are enshrined there.

So far, there has been no official word about the arrest of student demonstrators.

At the time of the September demonstration, Chinese leaders said they "understand" how the students feel about Nakasone's controversial Yasukuni visit. This was interpreted as expressing the Chinese leadership's tacit approval of the anti-Japanese action. The disclosure of the arrest of student demonstrators and their continued detention, however, showed that was not the case.

The sources said students are sharply reacting to the tough policy of the authorities and are planning a street demonstration in the capital on December 9 to take advantage of the 50th anniversary of the national movement against Japanese military advances in China.

A recent report from Hong Kong said students at Beijing University and other schools plan anti-Japanese rallies on that day in many parts of the country.

Chinese authorities, concerned that students may use the opportunity to criticize recent commodity price hikes in China and corruption among Chinese Government officials, are warning against taking such action, the sources said.

ZHOU PEIYUAN MEETS JAPANESE YOUTH 22 NOV

OW221646 Beijing XINHUA in English 1605 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA) -- Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met and gave a welcoming banquet here this evening for a Japanese youth delegation from Fukui Prefecture.

The group is led by its honorary head, Heidayu Nakagawa, governor of the prefecture.

Xia Yan, president of the China-Japan Friendship Association, was present at the meeting and banquet.

OFFICIALS WELCOME DK'S SIHANOUK TO BEIJING 21 NOV

OW210856 Beijing XINHUA in English 0829 GMT 21 Nov 85

[Text] Beijing, November 21 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea, [DK] and Madame Monique Sihanouk, arrived here today after attending the 40th General Assembly of the United Nations.

Welcoming them at the airport were Vice-Chairman of the National People's Congress Standing Committee Ngapoi Ngawang Jigme, Democratic Kampuchean Ambassador to China Chan Youran and diplomatic envoys in Beijing of a number of countries.

Ngapoi Ngawang Jigme welcomed Sihanouk to China, and also congratulated him on the victory Democratic Kampuchea had won at the U.N. General Assembly.

Sihanouk said that China's support contributed to the victory, and he expressed his thanks to the Chinese Government and people. He also thanked the welcoming diplomatic envoys for the support given by their governments and peoples to the just cause of Kampuchea.

Wu Xueqian Hosts Banquet

OW231629 Beijing XINHUA in English 1621 GMT 23 Nov 85

[Text] Beijing, November 23 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, gave a banquet in honor of Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Monique Sihanouk here this evening at the Diaoyutai State Guesthouse. The Sihanouks arrived in Beijing November 21 after attending the 40th General Assembly of the United Nations.

In his toast, Wu extended his congratulations to Democratic Kampuchea for its new victory achieved at the recent U.N. General Assembly.

Sihanouk said, the victory could not be separated from the consistent support for Democratic Kampuchea by the Chinese people and peace-loving people the world over.

Also present was Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the China's National People's Congress.

THAI PRIME MINISTER, YAO YILIN TALK IN BANGKOK

OW251210 Beijing XINHUA in English 1148 GMT 25 Nov 85

[Text] Bangkok, November 25 (XINHUA) -- Thai Prime Minister Prem Tinsulanon expressed here today the hope that the two-way trade between Thailand and China could be increased steadily during his meeting with visiting Chinese Vice-Premier Yao Yilin.

After conveying best regards to Prem from Chinese Premier Zhao Ziyang, Yao said that China and Thailand are friendly and good neighbors.

Yao arrived here this morning for a two-day stop-over visit to Thailand at the invitation of Thai Deputy Prime Minister Buntheng Thongsawat. The Chinese vice-premier had visited the United Arab Emirates, Oman and Kuwait before his Thailand tour.

FURTHER ON MALAYSIAN PRIME MINISTER'S VISIT

## Speaks at Qinghua University

OW221210 Beijing XINHUA in English 1154 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA)--Malaysia and China must relate to and work with each other, and they must also relate to and work with all their neighbours in the region to realize their common objective of achieving a stable, peaceful and progressive region. Visiting Malaysian Prime Minister Mahathir Mohamed made these remarks while delivering a speech at the Qinghua University here this afternoon.

Speaking of China's experiment with new ideas to speed up its modernization, he said China has "changed beyond recognition and China has never been more open to the outside world" since his brief visit in 1979. "We could strengthen bilateral trade and expand the range of goods and services between ourselves," he added. The prime minister expressed the hope that the two countries seriously examine how they can mutually partake of the fruits of each other's modernization and industrialization in a mutually beneficial manner. "The potential for such cooperation is vast. We could also refine barter trading or counter-trading," he added.

Referring to regional cooperation, Mahathir said the ASEAN initiative of the zone of peace, freedom and neutrality envisages a zone where the legitimate interests of all countries would be given equal and fair attention. "Regional co-operation is, I believe the only realistic option we have if we are to establish a peaceful, stable and progressive region. Only through regional co-operation can we harmonise our many interests and minimise our many differences," he said. He held that they seemed to have been unable to shake off regional conflicts, namely "the tragedy of Kampuchea," and "the on-going rivalry between the two superpowers manifested in the slow but steady militarization of the region." "Equally important", he said, "on the economic front, rising protectionism compounded by a fundamentally unjust economic system stalks us relentlessly."

The prime minister said: "The Asian states of the region are now caught up in the grips of a new and peaceful revolution that is immensely more satisfying and productive: an economic revolution to forever free our respective peoples from poverty, unemployment and underdevelopment." "A necessary corollary of this struggle is the fight for a more equitable economic order," he said.

Mahathir said the developing countries in the region can collectively demand a better economic deal in tandem with the dialogue that has already begun for a new international economic order. They also can press for the removal of trade barriers and an end to commodity manipulation and increase bilateral trade and expand economic cooperation whenever this is possible, he said.

Present were Yu Hongen, minister of coal industry, Gao Jingde, president of the Qinghua University, as well as 600 university students and teachers.

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Zhao, Mahathir at Banquet

OW221631 Beijing XINHUA in English 1614 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA)--Malaysian Prime Minister Mahathir Mohamed said here today that he is confident that Malaysia and China will be able to place their relations on an excellent level with mutual commitment and sincere efforts.



Speaking at his return banquet at the Great Wall Hotel this evening, Mahathir said that he is encouraged by the achievements of his visit to China. Chinese Premier Zhao Ziyang attended the banquet.

Mahathir held that the visit has provided him with "most of all, an opportunity" to exchange views with Chinese leaders on a wide range of issues of common concern. "The discussions we had were at times exceedingly frank" but were conducted in a friendly and cordial manner. [Beijing XINHUA Domestic Service in Chinese at 1557 GMT on 22 November carries a report on the banquet hosted by Malaysia's Mahathir in Beijing that adds...and the two sides share the same views and even the same objectives on many issues...] he noted. The Malaysian prime minister said that he was particularly pleased that both countries have agreed to give priority to strengthening bilateral trade and economic cooperation, and have identified ways by which these objectives can be achieved.

Premier Zhao said, Mahathir's visit to Beijing was short but has achieved positive results. He disclosed that tomorrow the representatives of the Chinese and Malaysian Governments will sign an agreement on the avoidance of double taxation, and departments concerned of the two countries are also going to sign a cooperation agreement and a memorandum of understanding.

During the visit, Malaysian industrialists and businessmen with the delegation had extensive contacts with their Chinese counterparts and made useful explorations of ways to expand trade and economic cooperation between the two countries. Zhao held that all those activities will lay a more solid foundation for the further development of Sino-Malaysian relations.

He said, increased friendly exchanges between China and Malaysia will help to enhance their mutual understanding, [The Chinese version adds...and mutual trust...] and promote their friendship and cooperation. "As we further increase our exchanges and get along with each other over a longer period of time, our Malaysian friends will have a full understanding that the Chinese Government and people cherish friendship and have good faith," Zhao said.

He pointed out that China strictly abides by the five principles of peaceful coexistence in relations among states and never interferes in others' internal affairs. Relations of mutual respect and mutual trust will help promote sustained and steady progress of bilateral relations, he said.

Also present at the banquet were Wu Xueqian, Chinese state councillor and minister of foreign affairs, Yu Hongen, coal industry minister, Qi Yuanjing, metallurgical industry minister, and leading members of other departments concerned, as well as members of the Mahathir's delegation.

This afternoon, Wu Xueqian met [The Chinese version adds...and had a friendly conversation...] with Malaysian Minister of Foreign Affairs Ahmad Rithauddeen, who is accompanying Mahathir on the visit.

#### Sign Agreements on Taxation

LD231123 Beijing XINHUA in English 0935 GMT 23 Nov 85

[Text] Beijing, November 23 (XINHUA) -- China and Malaysia today signed an agreement on the avoidance of double taxation and prevention of fiscal evasion with respect to income taxes.

The agreement provides that China and Malaysia will avoid double taxation on business profits, investment returns and income from labor service.



Chinese Premier Zhao Ziyang and Malaysian Prime Minister Mahathir Mohamed were present at the signing ceremony. Chinese State Councillor and Foreign Minister Wu Xueqian and Malaysian Foreign Minister Ahmad Rithauddeen signed the document on behalf of their respective governments.

The China Council for the Promotion of International Trade and the Sino-Malay Joint Chamber Council of Malaysia signed a cooperation agreement. Under the agreement, the two councils will unequivocally support the promotion and development of direct trade between China and Malaysia.

Also signed was a memorandum of understanding by the China Metallurgical Import and Export Corporation and Malaysia's Sabah gas industries. The Chinese corporation will buy from the Malaysian firm hot briquettes in the next two years.

#### Departs for Shanghai

LD231125 Beijing XINHUA in English 0947 GMT 23 Nov 85

[Text] Beijing, November 23 (XINHUA) -- Malaysian prime minister Mahathir Mohamed left here for Shanghai today after a three-day stay in the Chinese capital. Chinese premier Zhao Ziyang went to the Great Hall of the People to bid farewell to Mahathir.

Mahathir told the Chinese premier that his visit has so far been very pleasant and successful. This forebodes greater development of Malaysia-China relations in the future, he said. He said that through talks with Chinese leaders, he and his party have gained a better understanding of China's positions and views.

The Chinese premier noted that Mahathir's visit is crowned with success, and is of great importance to the development of Sino-Malaysian relations. He predicted greater development in the economic cooperation between the two countries in the next decade. The Chinese premier accepted Mahathir's invitation to visit Malaysia.

Mahathir gave a press conference before his departure. Asked if he had discussed with Chinese leaders the issue of the Communist Party of Malaya, he said that Malaysia and China know each other's stand on this issue. "We decided that we would talk about areas in which we could reach agreement rather than our differences," he said. "On this visit, we concentrated more on trade relations rather than political problems. We feel we can get around those minor problems," he added.

The Malaysian prime minister, his wife and their party, accompanied by Chinese Minister of Coal Industry Yu Hongen, will visit Shanghai, Hangzhou, Xi'an Guangzhou and Shenzhen before return home.

#### XU JIATUN SAYS HONG KONG SITUATION 'FINE'

GW231635 Beijing XINHUA in English 1623 GMT 23 Nov 85

[Text] Hong Kong, November 23 (XINHUA) -- Xu Jiatun, director of the Hong Kong branch of XINHUA NEWS AGENCY, said here today that "the situation in Hong Kong is fine." He said that the situation would become still better "if the Hong Kong compatriots and personalities of various circles are of one heart and one mind and take the interests of the whole into account." He made these remarks at a dinner he gave here this evening in honor of the guests who participated in the 85th anniversary of the Chinese General Chamber of Commerce, Hong Kong.

"Since the signing of the Sino-British joint declaration," he said, "the people's minds here have been at ease and the economy has been full of vitality."

Hong Kong's present economic situation is among the best in the world at present, he said, "This is a result of the concerted efforts of the Hong Kong compatriots and the first fruit of the cooperation between the Governments of China and Britain," he added.

"It was in a spirit of friendly consultation that China and Britain conducted negotiations and signed the joint declaration on the question of Hong Kong. Now, the two countries will be implementing the various aspects of the declaration in line with the same spirit," Xu said. "At present," Xu continued, "the public is focusing its attention on the drafting of a basic law for the Hong Kong special administrative region with special features based on the Sino-British joint declaration."

"The drafting and consultation work regarding the basic law has been going on smoothly. The scientific concept of 'two systems in one country' is being translated into concrete action," Xu declared.

#### INDONESIAN CONSUL IN HONG KONG ON TRADE WITH PRC

HK220600 Beijing ZHONGGUO XINWEN SHE in Chinese 1343 GMT 19 Nov 85

[Excerpt] Hong Kong, 19 Nov (ZHONGGUO XINWEN SHE) -- While giving a press interview today, Mokhtar, the Indonesian commercial consul to Hong Kong, said that the Indonesian Government and people attach great importance to direct trade with China.

He said that after the two countries signed a memorandum on direct trade, the Indonesian president issued instruction No 9 concerning opening up direct trade with China, the Trade Ministry promulgated some relevant regulations, and the Chamber of Commerce and Industry set up a China committee for this purpose.

Mokhtar said that according to the instruction No 9 issued by the Indonesian president, in principle all Indonesian products can be exported to China, Indonesia can also import any Chinese product, and all the import and export dealers across the country are allowed to carry out direct trade with China. All the departments concerned should facilitate entry and exit for the personnel of both sides in making trade contacts.

Mokhtar said that the 70-plus-member delegation from the Indonesian Chamber of Commerce and Industry, which is now attending the international trade fair in Beijing, will primarily promote the sales of Indonesian motorcycles, cigarettes, videotapes, iron products, chemical fertilizers, cement, rubber, coconut oil, and cocoa and make a further study of the demands of the Chinese market. He said that at the present stage, rubber, rattan, and plywood are still Indonesia's primary exports to China. However, he believes that with mutual understanding, the bilateral trade between China and Indonesia will have good prospects.

PAKISTANI PRIME MINISTER CONCLUDES VISIT TO PRC

Departs 23 Nov

LD231109 Beijing XINHUA in English 0943 GMT 23 Nov 85

[Text] Shanghai, November 23 (XINHUA) -- Pakistan Prime Minister Mohammad Khan Junejo left here for home this morning after concluding his one-week official goodwill visit to China. He was seen off at the airport by Yang Zhong, chairman of the Reception Committee and minister of forestry, and Shanghai Mayor Jiang Zemin.

Before the prime minister's departure, Yang Zhong conveyed to him the regards from Chinese Premier Zhao Ziyang expressed in a phone call from Beijing. Zhao congratulated his Pakistan counterpart on the success of his China visit, and said that his visit had furthered the friendly relations of cooperation between the two countries. He asked Junejo to convey the best regards to President Mohammad Ziaul Haq from Chinese President Li Xiannian and himself, as well as the best wishes of the Chinese people to the brotherly Pakistan people.

Junejo said he was satisfied with his meetings with the Chinese leaders, adding that his visit had attained the anticipated goal. The prime minister later told XINHUA that he was convinced the good relations between Pakistan and China would be more consolidated and developed. During the visit he found China had made great progress since his last visit in 1968, he added.

Says Visit 'Very Successful'

OW231517 Beijing XINHUA in English 1443 GMT 23 Nov 85

[Text] Islamabad, November 23 (XINHUA) -- Prime Minister Mohammad Khan Junejo today described his week-long visit to China as "very successful and memorable." He made the remark at a press conference at the airport upon his return from China.

The prime minister said his China visit would further strengthen the friendly relations between the two countries and contribute to the preservation of peace and stability in this region. "During my stay in China," he said, "I have witnessed the tremendous achievements China has made and learnt lots of experience."

Junejo expressed appreciation of the economic reform and open-door policy being carried out in China. He said he was deeply impressed by the rapid changes in China's rural areas. "The Chinese leadership and people are fully confident to make bigger progresses in reaching their well-to-do objective," he remarked.

He said he had also briefed the Chinese leaders on the internal developments of Pakistan where martial law would be lifted by the end of this year. The Chinese leaders rejoiced at the democratic process in Pakistan, he added.

As for the Afghan issue, the Pakistan prime minister said: "China has always supported Pakistan's efforts for a peaceful and political solution to the problem."

Pakistani Press Hails Ties

OW221438 Beijing XINHUA in English 1307 GMT 22 Nov 85

[Text] Islamabad, November 22 (XINHUA) -- Major newspapers in Pakistan published editorials in the last few days lauding the Pakistan-China friendship when commenting on the Pakistan prime minister's recent China visit.



In an editorial today, THE PAKISTAN TIMES said the visit of Mohammad Khan Junejo to China, his first visit to a foreign country as Pakistan prime minister, serves as a clear testimony of the friendship between Pakistan and China, which is "rooted in history".

THE MORNING NEWS in an editorial on November 20 said that the sentiments expressed by Prime Minister Junejo and the Chinese leaders during Junejo's stay in Beijing testify to the fact that both China and Pakistan are "deeply engaged in improving their bilateral relations on a strong footing so that they could emerge as a model for other countries."

In an earlier editorial on November 18, the paper said that transcending barriers which have divided many other nations, the Pakistan-Chinese friendship "has been one of the principal factors in giving stability to the region." The two countries have together presented to the world an example of political and economic cooperation, the paper added. It also noted that among the Pakistan people there is an endless fund of goodwill and love for the Chinese people and they know it from the experience of long years of fruitful cooperation that their sentiments are fully reciprocated by the Chinese people.

Another newspaper, THE MUSLIM, said in an editorial on November 18 that the unique feature of the friendship between Pakistan and China is the principle on which the relationship has been founded. "China is a reliable friend, whose friendship we value and on whom we can always rely in the hour of need," the paper added.

#### PRC SIGNS TRADE AGREEMENT WITH INDIA 23 NOV

OW231943 Beijing XINHUA in English 1845 GMT 23 Nov 85

[Text] New Delhi, November 23 (XINHUA)--China and India have signed a trade agreement worth 100 million to 160 million U. S. dollars during 1986, in an effort to curb the decline of their trade. Trade turnover between China and India declined from 145 million U. S. dollars in 1982 to 64 million U. S. dollars in 1983 and 46.7 million U. S. dollars in 1984. Lu Xuejian, Chinese vice minister for foreign economic relations and trade and leader of a Chinese Government trade delegation, and Prem Kumar, Secretary in the Indian Commerce Ministry, signed the protocol for exchange of goods today.

Among the goods China intends to import from India are iron, chrome and manganese ores, steel products, tobacco, finished leather, shellac, and power station equipment and other machinery. India plans to import Chinese raw silk and silk products, edible vegetable oils, fresh water cultivated pearls, coal, mercury, antimony, petroleum and petrochemical products, and pharmaceuticals.

The Chinese trade delegation arrived here yesterday for a one-week visit.

#### 'SPECTACULAR' SHAKE-UP IN AFGHANISTAN ASSESSED

OW231138 Beijing XINHUA in English 1113 GMT 23 Nov 85

["Roundup: Major Shakeup in Karmal's Party"-- (by Ya Tai)--XINHUA headline]

[Text] Beijing, November 23 (XINHUA)--The ejection of three senior members from the Politburo of the "People's Democratic Party" of Afghanistan was seen as the most spectacular shakeup in Babrak Karmal's ruling clique since Soviet troops invaded the country nearly six years ago.



In the shakeup, carried out at the party's 16th plenum in Kabul on November 21 chaired by Karmal, former Afghan Defense Minister Lieutenant General Abdul Qader and former Foreign Secretary Esma'il Danesh were dismissed from the Politburo, and Ghulam Dastagir Panjsh'ri, an important party leader, was relieved of his title as a full politburo member. All the three had played an important role in the setting up of the Karmal regime. Gen. Qader even personally drove a tank into the presidential palace of Sardar Mohammed Daoud in a bloody coup in 1978 which paved the way for the installation of the Soviet-backed regime in Afghanistan.

Observers, who are watching closely the Afghanistan situation, viewed the shakeup as a manifest of the sharpening contradictions in the "People's Democratic Party" which forced Karmal to take "disciplinary measures" to strengthen his position in the party. According to some accounts, Panjshiri was the mastermind of the factions which oppose Karmal. He was removed from the Politburo on "health grounds," but that is clearly an pretext.

According to Western diplomats, Gen. Qader, who was earlier sacked from the post of defense minister, was involved in a palace shoot-out last summer following a dispute over the Afghan Army's role in fighting resistance forces. Observers also noted that several police and security officials were promoted in the shakeup. Gen. Najibullah chief of the Afghan secret police was appointed secretary of the Central Committee and the party spokesman. His deputy, Ghulam Faruq Yaqub, head of the Interior Ministry's special police, was promoted to full member of the Politburo. Meanwhile, Defense Minister Maj-Gen. Nazar Mohammad and Nationalities Minister Solayman Laeq became full members of the Politburo.

The promotions, observers believed, indicated that the Karmal regime is trying to tighten its reign by beefing up its internal security institutions. They also noted that the reshuffle came in the midst of the winter offensive of the Soviet troops against the Afghan resistance forces. Both the reshuffle and the military actions were aimed to prolong Karmal's rule, but neither would be quite effective in obtaining the goal, the observers said.

#### DELEGATION TO LEAVE FOR FILM FESTIVAL IN INDIA

OW141106 Beijing XINHUA in English 0659 GMT 14 Nov 85

[Text] Beijing, November 14 (XINHUA)--A Chinese film week will be launched at a ceremony in New Delhi on Saturday as part of a Sino-Indian cultural exchange agreement.

An official at the Culture Ministry's Film Bureau told XINHUA that four Chinese films, "Neighbor", "Sunset Street", "My Memory of Old Beijing" and "The Richshaw Boy", will be shown.

Under the same agreement, an Indian film week will be held in China next year.

A Chinese film delegation headed by Wu Yigong, general manager of the Shanghai General Film Corporation and director of "My Memory of Old Beijing", leaves tomorrow for a two-week visit to India.

Besides attending the opening ceremony of the film week in New Delhi, the delegation will visit Bombay, Madras and Calcutta.

FURTHER REPORTAGE ON HU QILI'S VISIT TO FRG

## Addresses Welcoming Banquet

OW220917 Beijing XINHUA in English 0821 GMT 22 Nov 85

[Text] Bonn, November 21 (XINHUA) -- Hu Qili, a member of the Political Bureau of the Communist Party of China (CPC), said here today that the developing friendship between CPC and the German Social Democratic Party (SPD) is first of all due to the fact that the two parties have common interest and many common or similar views on major international issues.

Hu, who is also a member of the Secretariat of the CPC Central Committee, made the remarks when he was entertained at a banquet held tonight by SPD Chairman Willy Brandt.

Brandt said in his welcoming speech that he is sure that Hu's visit will encourage exchange of views and experience between the two parties. And this time, he added, there are many issues and problems for them to discuss.

On the present world situation, Brandt said that both superpowers have expressed willingness to reduce their missiles by 50 percent. However, this is their commitment in word, we need to see their action, he added.

Hu recalled in his speech that the meeting between Brandt and CPC General Secretary Hu Yaobang in Beijing last year had laid a foundation for the development of friendly ties and cooperation between the two parties. The efforts made by the two sides since have brought about progresses in friendly interflow and bilateral cooperation. Hu expressed his appreciation of Brandt's constructive proposals for the relaxation of international tensions and for the security of Europe. He noted that as long as people work jointly, there are bright prospects for the maintenance of world peace. He stressed the necessity to mobilize the people all over the world to stop the escalation in quality of the nuclear arms race between the superpowers.

Hu told German friends that China's economy is embarked upon a path of sustained, steady and harmonized development. Hence the area of economy also offers a broad prospect for closer cooperation between the two parties and the two countries, he added.

## Talks With Kohl

OW230650 Beijing XINHUA in English 0630 GMT 23 Nov 85

[Text] Bonn, November 22 (XINHUA) -- Chancellor Helmut Kohl stressed here today that there are no conflicts of interest between his country and China, so their friendly relations should develop generation after generation.

When meeting Hu Qili, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), Kohl said: "The generation who planted the trees usually cannot see them grow up until the next generation." He told Hu that to further the economic cooperation between the two countries is his country's desire and a common aspiration of both countries as well.

Hu told the chancellor about China's hope for an increase in trade with West Europe and its readiness to develop economic cooperation with Federal Germany on the basis of equality and mutual benefit.

After briefing Hu on the progress of West Europe's unity, Kohl said that only when it gets united can Europe get a footing in world politics. "Slow as it is, the process of unity is going ahead steadily," Kohl added.

Turning to international issues, Kohl described the Geneva U.S.-Soviet summit talks, which have just ended, as "a beginning" and "an important move." The U.S.-Soviet relations might take a turn for the better, but people should not entertain any illusion, he added.

Hu told Kohl that China firmly believes that a united and strong Europe and a stable and prosperous China constitute important factors of a stable world situation. China opposes power politics and favors dialogues and a relaxation of the international situation. In view of her own conditions, China is pursuing an independent foreign policy and will never ally itself with any big powers. China considers this to be the greatest contribution it may make to peace, Hu said.

Hu, who is also a member of the Secretariat of the CPC Central Committee, conveyed to Kohl the greetings from Chairman Deng Xiaoping, General Secretary Hu Yaobang and Premier Zhao Ziyang. He told the chancellor about the CPC national convention held in September and China's new five-year plan. Hu stated that China will continue the policies of opening to the outside world and reinvigorating domestic economy. Also present at the meeting was Chinese Ambassador Guo Fengmin.

Hu is here for a one-week visit at the invitation of the German Social Democratic Party.

#### Talks With SPD's Brandt

OW230828 Beijing XINHUA in English 0741 GMT 23 Nov 85

[Text] Bonn, November 22 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Central Committee of the Chinese Communist Party (CPC), today had talks with Willy Brandt, chairman of the German Social Democratic Party (SPD), on the international situation and exchanged views on the relations between the two parties. Hu arrived in Federal Germany Thursday for high-level talks at the invitation of SPD.

During their first round of talks, Hu Qili and Willy Brandt discussed issues including disarmament, Sino-U.S. and Sino-U.S.S.R. relations and the situation in Asia and the Pacific. Hu spoke about China's independent foreign policy of peace and offered views on some major international issues. The two leaders are scheduled to hold their second round of talks on November 27.

This morning, Hu visited the Duisburg Harbor on the Rhine River, the world's largest inland port. Hu and Major Josef Krings and representatives from of the business community discussed city management and economic, scientific and technological cooperation between the two countries. Hu said he appreciates the value of cooperation between Duisburg and Wuhan, a city in China's Hubei Province.

#### ZHANG JINGFU, GU MU MEET PRINCE OF DENMARK

OW221914 Beijing XINHUA in English 1611 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA) -- Chinese State Councillors Zhang Jingfu and Gu Mu met Prince Georg of Denmark on separate occasions here today. Prince Georg is here for a private visit as representative of the East Asiatic Company Ltd of Denmark.



VICE PREMIER YAO YILIN CONCLUDES TOUR OF GULF

## Terms Tour 'Successful'

OW241850 Beijing XINHUA in English 1837 GMT 24 Nov 85

[Text] Kuwait, November 24 (XINHUA) -- Chinese Vice-Premier Yao Yilin today described his visit to three Gulf countries as "successful."

Yao Yilin told XINHUA before ending his 12-day tour of the United Arab Emirates, Oman and Kuwait that his visit has enhanced mutual understanding, friendship and cooperation between China and the three countries. He highly appreciated the achievements made by the three countries in the past few years. He said that China and these countries shared same views on many international issues and they could help each other in economic development and construction. "The prospect of cooperation is very bright," he added.

He also expressed the hope that the war between Iran and Iraq would end as quickly as possible not only for the benefit of the peoples of the two countries but also for the sake of security, stability and development in the Gulf region as well as world peace.

## Departs for Home

OW250715 Beijing XINHUA in English 0655 GMT 25 Nov 85

[Text] Kuwait, November 25 (XINHUA) -- Chinese Vice-Premier Yao Yilin and his party left here for home this morning at the end of his five-day visit which he said was very successful. There are very broad prospects for closer cooperation between China and Kuwait, he told reporters upon his departure at the airport. The agreement on investment protection signed during his visit will help push bilateral economic co-operation into a new phase, he added.

Kuwaiti Minister of Finance and Economy Jassim al-Kharafi, who was seeing the Chinese visitors off, said Yao's visit provided a chance for reinforcing the already existing ties of cooperation between the two countries. He expressed the hope the agreement on investment protection will be put into effect as soon as possible and new areas of cooperation opened up.

Yao Yilin arrived here on November 21 on the last leg of his Gulf tour, which had taken him to the United Arab Emirates and Oman.

MILITARY DELEGATION LEAVES FOR GABON, ZAIRE

OW241618 Beijing XINHUA in English 1459 GMT 24 Nov 85

[Text] Beijing, November 24 (XINHUA) -- A Chinese military delegation led by He Qizong, deputy chief of General Staff of the Chinese People's Liberation Army, left here this evening for a goodwill visit to Gabon and Zaire.

The delegation is invited by Gabonese President El Hadj Omar Bongo and Lieut Gen. Eluki Monga Aungu, chief of General Staff of the Armed Forces of Zaire.



SIXTH NPC STANDING COMMITTEE SESSION HELD

## Discusses Li Peng Report

OW220540 Beijing XINHUA Domestic Service in Chinese 1309 GMT 20 Nov 85

[Excerpts] Beijing, 20 Nov (XINHUA) -- After hearing the reports on the current economic situation and the work of price reform delivered respectively by Li Peng, vice premier of the State Council, and Cheng Zhiping, director of the State Administration of Commodity Prices, deputies attending the session of the Sixth NPC Standing Committee warmly discussed the two reports. They said that these two reports not only state the achievements, but also point out the existing problems and analyze the causes of the problems and corrective measures. In their opinion, the reports are rather objective and comprehensive and manifest the spirit of seeking truth from facts.

When discussing Vice Premier Li Peng's report on the current economic situation, all the deputies expressed satisfaction with the sustained, balanced, and steady economic development that has occurred in our country. Deputy Zhou Zhanao said: Through the united efforts made by the people throughout the country after the 3d Plenary Session of the 11th CPC Committee, we have now ushered in the best period since the founding of the People's Republic. Certainly, this situation has not come easily. Deputy Niu Yinguan said: After hearing the report, we are impressed by the absolute correctness of its guiding thought. We have done well in reforming the urban economy and brought the development of various economic sectors into balance. This was really no easy task. Vice Chairman Liao Hansheng said: Comrade Li Peng's report enables us to fully understand the current economic situation and the State Council's work and provides a basis for us to supervise the work of our government. The government has now told us the real situation. Besides what is done by the government, the NPC should do more work within the scope of its responsibilities and make joint efforts with the government to fulfill the goals set in the report.

After fully affirming the current excellent economic situation, the deputies expressed opinions and made suggestions on a number of questions, such as curtailing fixed asset investment, importing technology and equipment, developing village and town enterprises, and strengthening environmental protection.

Deputy Qian Min said: Both the appraisal of the current situation and the measures taken as stated in the report are very good. Nonetheless, there are several points that deserve our attention: 1) Serious efforts are still required to control the industrial growth rate so as to maintain the excellent situation of sustained and steady economic development. 2) The rate of increase in the consumption fund is rather high this year. With the reform of the wage system, next year we should still pay attention to this question. 3) It is necessary to intensify the planning work for vegetable supplies for urban areas. The regulatory role of market conditions in this respect is only supplementary. Apart from macrocontrol, it is necessary to exercise down-to-earth microcontrol.

Huo Mingguang, vice chairman of the Standing Committee of the Jilin Provincial People's Congress, said: It is imperative to curtail the scale of investment in fixed assets. Another big problem is village and town enterprises. From now on, village and town enterprises should process locally produced farm and sideline products as their main task. Now some village and town enterprises engage in big industrial projects and compete with state-owned plants for raw materials and energy supply. This is a big problem. Village and town enterprises should be included in the plan. If this cannot be done, control over them should at least be strengthened in various ways.

Vice Chairman Seypidin said: The measure to control imports of cars is very good. Advanced technology should be our main import. As for motor vehicles, TV sets, and tape recorders, more foreign-made parts should be imported, and we should do the assembly work ourselves. Sometimes because of the quality problem, the masses are not willing to buy our own products, but we can make improvements and raise the product quality step by step. Deputy Hou Xueyu said: Sufficient attention should be paid to environmental protection. This question is dealt with in many parts of the proposal for the Seventh 5-year Plan. The government should also act in the same spirit in formulating its policies. It is suggested that more efforts be exerted to strengthen environmental protection organizations, modify industrial equipment with the aim to minimize the "three wastes" [waste gas, liquid, and residue], strictly enforce the regulations governing industrial waste water disposal, and ban the indiscriminate discharge of wastes. In the meantime, the work of environmental protection research and training of environmental protection personnel should be strengthened. Deputy Wu Heng said: Now some capitalist countries are paying great attention to the problem of environmental pollution. A socialist country should do so all the more.

When discussing Cheng Zhiping's report on the work of price reform, the deputies pointed out: On the whole, this year's work of price reform has a correct orientation and has played a positive role in promoting production, facilitating the flow of commodities, invigorating the market, and providing convenience for the masses in their daily life. Because the question of prices concerns every household, it is imperative to act prudently and advance in steady steps. Administrative, economic, and legal means should be used to ensure success in reforming the price system. Deputy Deng Jiatai expressed the opinion that the question of prices is a very sensitive issue. Therefore, he said, work in this respect should not proceed too fast; instead, steady steps should be taken to make gradual adjustments. Deputy Huang Rongchang said: It is suggested that every city have a mighty contingent of personnel for supervising and controlling commodity prices. Retired old workers and deputies to the people's congresses at various levels may form the main part of this contingent. Chongqing City has formed such a contingent, which has played a significant role and produced very good results in stabilizing commodity prices.

#### Peng Zhen Addresses Meeting

OW220612 Beijing XINHUA Domestic Service in Chinese 1316 GMT 21 Nov 85

[Excerpts] Beijing, 21 Nov (XINHUA) -- The 13th session of the 6th NPC Standing Committee held a joint group meeting yesterday afternoon and today to further discuss Vice Premier Li Peng's report on China's current economic situation and the report made by Cheng Zhiping, director of the State Administration of Commodity Prices, on this year's reform of the price system. Chairman Peng Zhen attended and addressed the joint group meeting.

At the 1-and-1/2-day joint group meeting, the Standing Committee members held that both Vice Premier Li Peng's report on China's current economic situation and the report made by Cheng Zhiping, director of the State Administration of Commodity Prices, on this year's reform of the price system were well presented, because they not only reported on our achievements but also discussed our problems and the measures for solving them. At the same time, the Standing Committee members also expressed their opinions and views on some problems in our work.

Vice Chairman Zhou Gucheng said: The guiding principle for our NPC meetings these years is very good. We have truly adhered to the principle of democratic centralism. On important state affairs, we always hold full discussions beforehand to hear everybody's opinion, and then make decisions based on a united understanding. In this way, we have ensured that we have centralism, democracy, discipline, freedom, united thinking, and personal peace of mind at the same time. In the parliament of a capitalist country, they usually debate first and then vote by a show of hands, and they even describe a 1- or 2-vote margin as a majority. [as received] Our democracy is much better than their superficial democracy.

Vice Chairman Geng Biao said: At present, we should pay attention to correcting the phenomenon of ignoring the law and tolerating law violators. It is very necessary to emphasize universal education in the legal system. A party has party discipline, a government has administrative discipline, and a country has laws. Violators of discipline or law should be dealt with according to that discipline or law, but we must not substitute discipline for law. Comrade Deng Xiaoping once said that democracy should be institutionalized and codified into laws, so that the law will not change with the change of leaders nor with the change of the leaders' mind. This remark is very profound.

Vice Chairman Zhu Xuefan said: Recent visits to our country by heads of state and government leaders of many countries show that our current situation is excellent. Under this excellent situation, we should prevent arrogance, overcome and correct unhealthy practices, energetically advocate the notion of serving the people, and strengthen democracy and the legal system. Only in this way, can we continue to advance.

Xue Muqiao, a member of the Standing Committee, said: In the last few years, commodity prices have indeed gone up, but the people's living standards have also improved remarkably. In 1984, the average consumption of China's urban and rural people increased by 86.9 percent as compared with 1979, and the increase was 57.7 percent after the adjustment for higher commodity prices. Some comrades regard the stabilization of commodity prices with rationing as a superiority of socialism. Such a view is wrong.

Chairman Peng Zhen spoke last. He said: The guidelines of the National Conference of Party Delegates should also serve as the guidance for the of the NPC Standing Committee from now on. The reports made by Comrades Li Peng and Cheng Zhiping have greatly helped us understand the situation. During the discussion, you have put forward many opinions and suggestions in connection with the actual work for the State Council to consider. Hou Xueyu, Liu Ruilong, and He Ying, members of the Standing Committee, expressed their views in writing.

Decrees 31, 32

OW221500 Beijing XINHUA in English 1430 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA) -- China decided today to ease its entry and exit restrictions for both foreigners and citizens with the adoption of two new laws, which go into effect February 1, 1986.

Foreigners who have invested in China or have economic, scientific and technological, or cultural cooperation with Chinese organizations, and others who can show need, can apply for long-term or permanent residence in China with the permission of the Chinese Government, according to a law approved at the closing meeting of the 13th session of the National People's Congress Standing Committee. The law on foreigners' entry and exit also stipulates that foreigners with valid visa or residence certificate can travel in areas open to foreign visitors, without special permission.



For entry to China, foreigners must apply for visas at Chinese diplomatic missions, consulates or other diplomatic agencies authorized by China's Foreign Ministry to issue visas. However, the law stipulates, under special circumstances, they may apply at ports designated by the Chinese Government. The Chinese Government protects the legitimate rights and interests of foreigners in the country, as well as their personal freedom, the law stipulates, but they must obey Chinese laws.

According to a law on exit and entry for Chinese citizens, those who want to go abroad because of personal affairs may receive approval after they present their applications to the local security departments at city and county levels. But defendants of criminal cases and suspected offenders confirmed by security departments, the people's procuratorates or the people's courts will not receive approval. Whether the applications are approved or not, the security departments must inform the applicants within a fixed time.

Drafts of the two laws were first submitted for consideration to the committee's 12th session last August, and submitted to this session after being revised. The NPC law committee presented two reports on the consideration of the two laws. During the discussions, the Standing Committee members agreed that the two revised drafts would facilitate China's opening to the outside world, and protect Chinese citizens' legitimate rights and interests in terms of exit and entry, and help ensure the maintenance of the national sovereignty, security and social order.

#### Decree 33 on Personnel Changes

OW221416 Beijing XINHUA Domestic Service in Chinese 1237 GMT 22 Nov 85

[Text] Beijing, 22 Nov (XINHUA) -- Decree No 33 of the President of the People's Republic of China

In accordance with the decisions of the 13th Session of the Standing Committee of the 6th National People's Congress of the People's Republic of China on 22 November 1985:

1. Chen Junsheng [7115 0193 3932] is appointed secretary general of the State Council; Tian Jiyun is relieved of his concurrent post as secretary general of the State Council.
2. Ye Rutang [0673 1172 2768] is appointed minister of urban and rural construction and environmental protection; Rui Xingwen is relieved of his post as minister of urban and rural construction and environmental protection.
3. Zhou Jiannan is relieved of his post as minister of machine building industry.

[Signed] Li Xiannian, President of the People's Republic of China

[Dated] 22 November 1985

## Other Personnel Changes

OW221412 Beijing XINHUA Domestic Service in Chinese 1233 GMT 22 Nov 85

[List of appointments and dismissals by the Standing Committee of the National People's Congress -- passed on 22 November 1985]

[Text] Beijing, 22 Nov (XINHUA) -- Appointing Tang Dehua [0781 1795 5478] to be member of the Judicial Committee of the Supreme People's Court:

Dismissing He Lanjie from the post of adviser of the Supreme People's Court; and

Dismissing Li Renzhen, Wang Qingchang, Liu Chongzheng, and Wang Zichen from the post of judicial officer of the Supreme People's Court.

## Peng Zhen Addresses Closing

OW221450 Beijing XINHUA in English 1441 GMT 22 Nov 85

[Text] Beijing, November 22 (XINHUA) -- China has made 45 laws besides the new Constitution over the past six years, Peng Zhen, chairman of the Standing Committee of China's National People's Congress, said here today. Speaking at the closing meeting of the committee's 13th session, Peng said this has equipped China with laws covering many basic and important fields. However, he said, China's legal system is far from complete. To meet the needs of the modernization drive, opening to the outside world, and invigorating the domestic economy, China needs to speed up its legislation procedure, including the drawing up of laws involving foreign affairs.

In China, he said, the people and the state have identical interests, and the Constitution and the laws embody the basic interests of the people. That is why the laws can only be enforced on the basis of the legal consciousness of the people and cadres, he added. The chairman called on both officials and people to abide by the law conscientiously, with Communist Party members taking the lead in this regard.

LI PENG INSTRUCTS ON SHAANXI COALFIELD OPERATION

HK160205 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 15 Nov 85

[Text] Comrade Li Peng, a member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee, and vice premier of the State Council, inspected the Shenfu coalfield in Shaanxi on 12 and 13 November. He stressed: We must adopt the method of having the state build the roads and the masses operate the mines and take advantage of the rich coal resources to help the peasant masses get rich as quickly as possible.

During his inspection, Vice Premier Li Peng visited two opencast coal mines at (Mingxiaoto) and (Huojiku) in Shenmu County, together with two township-operated mines at (Linjialiang) in Shenmu County and (Waiyaopo) in Fugu County. He chatted with the peasants extracting coal there and urged them to dig out more coal as a contribution to the four modernizations.

After hearing a Shenmu County CPC Committee report on the Shenfu coalfield, Vice Premier Li Peng gave the following views:

1. The Shenfu coal field has abundant resources and big reserves. The coal quality is good and it is easy to extract. The problem is that communications are poor. We should adopt the method of having the state build the roads and the masses operate the mines, and ensure that the peasant masses get rich fast.

At present the focus should be on collective operation of the mines. Individuals can also operate them. It is also necessary to protect the resources. The state will run the mines only when communications have improved.

2. After the peasants have become rich through operating coal mines, they should be guided to invest their capital in agriculture and forestry, to improve the level of grain production, and to plant trees and grass and develop animal husbandry. They should also do a good job in running transport and processing industries, and develop production of building materials such as cement, basing their efforts on the local resources. They should develop energy-consuming industry after the economy has developed to a certain degree; they should build power stations and develop the coal chemical industry.

3. The state has approved the construction of a railroad from Baotou to Shenmu. We must go all-out to have this open to traffic in 3 years. Next year the Shenmu-Fugu and Shenmu-Baotou roads should be improved to class-3, and large trucks should be used to transport coal. This will lower the coal transport costs. It is also necessary to build light railways.

Comrade Li Peng was accompanied by Yu Hongen, Minister of Coal Industry, (Li Shunsheng), director of the Central Finance and Economic Leadership Group office; Vice Governor Zeng Shenda; and responsible comrades of Yulin Prefecture and Shenmu and Fugu Counties.

LI PENG, HAO JIANXIU ATTEND COMMENDATION MEETING

OW180512 Beijing XINHUA Domestic Service in Chinese 1440 GMT 17 Nov 85

[By reporters Qiu Yuan and Chen Yun]

[Excerpts] Beijing, 17 Nov (XINHUA) -- A group of advanced individuals on the commercial front, who have worked hard to serve the people year after year and have contributed significantly at their ordinary posts, were commended by the party and the people at a meeting ceremoniously held in Beijing this afternoon. Also commended at the same meeting were a number of advanced commercial collectives.

Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, and Hao Jianxiu, member of the Secretariat of the CPC Central Committee, attended the meeting and posed for a picture with representatives of the model workers and advanced enterprises. On behalf of the party Central Committee and the State Council, Li Peng congratulated and thanked the nation's 14 million commercial workers and the representatives who have earned the glorious titles of model workers and advanced collectives. Li Peng said: Reform is essential for the four modernizations, but whether it can be successful depends heavily on the personnel on the commercial front. Proper commercial work will reduce the inadaptability during the initial period of reform.

The vice premier urged people on the commercial front to support reform by making commercial work a success. He said: We should intensify ideological and political work, promote socialist ethics while building material civilization, and build a contingent of ethical, educated, and disciplined commercial workers with lofty ideas.

Commended at today's meeting were 27 special-class commercial workers, 590 national model commercial workers, and 387 commercial units of good services and advanced enterprises. Also commended at the meeting were model and heroic collectives that performed outstanding services in supporting the front during the self-defense counterattack against Vietnam.



During the meeting, Minister of Commerce Liu Yi read the "decision on commending and emulating the advanced personnel and units and intensifying ideological and political work." The decision points out that it is necessary to intensify political and ideological work in the commercial departments and in the light of commercial workers' thinking under the new situation, educate them on the need to adhere to the socialist course, love the people, serve the people wholeheartedly, pay attention to commercial ethics, improve commercial operation, and provide quality and standardized commercial services.

The decision also urges leading commercial organs at all levels to stop the tendency of ignoring ideological and political work, understand the need to serve the grass-roots units, improve their leadership over the basic-level units' ideological and political work, and pay attention to the livelihood of the broad masses of commercial workers.

#### BANK OF CHINA PRESIDENT ON ROLE OF OVERSEAS BRANCHES

HK190831 Beijing ZHONGGUO XINWEN SHE in Chinese 1243 GMT 15 Nov 85

[Text] Beijing, 15 Nov (ZHONGGUO XINWEN SHE) -- Today, Bank of China President Wang Deyan pointed out at the meeting of general managers of the Bank of China overseas branches that during the Seventh 5-Year Plan period, the Bank of China overseas branches are required to raise and use funds through diverse channels and forms and endeavor to raise low-cost foreign funds while exercising control over high-cost funds.

Wang Deyan said: The link between China's economy and the international market has been growing increasingly close. In the future, the economy of the capitalist countries will continue to be in a state of extreme instability and lack the strength to rise again. It is difficult for them to find a way out for their large quantity of funds and technology. This has brought about many favorable conditions for China to expand the scope of introducing foreign funds and advanced technologies in the Seventh 5-Year Plan period. As a bank that specializes in handling foreign exchange for the state, the Bank of China is entrusted with the heavy task of raising foreign funds for the state during the Seventh 5-Year Plan period. Therefore, it should grasp the present good opportunity and its overseas branches should make use of their advantages to raise more low-cost funds.

The Bank of China has some 300 organizations abroad at present, including its Hong Kong, Singapore, London, New York, Luxembourg, Sydney, and Paris branches. It will also establish a branch in Tokyo, an office in Panama, and some new points in the Middle East, Latin America, and Western Europe. Apart from raising foreign funds and creating profits, the Bank of China overseas branches also use their relations with overseas customers to promote China's external economic contacts and cooperation and provide information.

Wang Deyan required the Bank of China overseas branches to support chiefly productive and foreign exchange creating projects when granting loans for or investing in construction projects in China's hinterland.

He pointed out that by the end of this century the Bank of China overseas branches will gradually become a global financial network with relatively abundant funds and a high level of management. It will be more competitive and will be able to engage in manifold businesses.

ANHUI'S HUANG HUANG ON COMMODITY PRODUCTION

OW220636 Hefei Anhui Provincial Service in Mandarin 1100 GMT 17 Nov 85

[Excerpts] Speaking at a recent provincial meeting of directors of prefectural and city commerce bureaus called by the provincial Commerce Department, Huang Huang, secretary of the provincial party committee, repeatedly stressed the importance of promoting greater flow of commodities. He said: The commodity economy comprises both production and exchange. Both are indispensable. While promoting commodity production, we should also attach great importance to commodity circulation. In the past, due to the erroneous leftist influence over a relatively long period of time, commodity production was linked to capitalism and regarded as cause of its existence. A considerably large number of comrades emphasized industry and agriculture, but neglected commerce. Although we now realize the importance of commerce, we have not paid close attention to and made conscientious efforts at the work. Certain policies formulated under the influence of the ultraleftist line have particularly restricted commercial development in several areas.

Comrade Huang Huang emphatically pointed out: It is vitally important to pay particular attention to the following aspects in commodity circulation: 1) It is necessary to give due attention to promoting greater flow and exchange of commodities. 2) It is necessary to map out practical policy measures for commodity circulation. 3) It is necessary to solicit support from various quarters to bring about a greater flow of goods. 4) In developing commodity exchange, it is necessary to stress both economic efficiency and social effect. 5) It is necessary to persistently carry out commercial reforms. 6) It is necessary to improve the quality of commercial staff and workers, enhancing their scientific and general knowledge, professional competence, and political theory.

In conclusion, Comrade Huang Huang said: In the first 2 years of the Seventh 5-Year Plan, we must intensify macroeconomic control, especially control over total social consumption. We must seize this opportune moment to earnestly improve commodity circulation and develop the tertiary industry. The provincial party committee and the provincial government should take the lead in doing so. Party committees and governments at all levels should make conscientious efforts to strive to achieve good results within 1 or 2 years.

NANCHANG, JIANGXI CPC CONGRESS ELECTS NEW LEADERS

OW220509 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 16 Nov 85

[Excerpts] The Fifth Nanchang City CPC Congress ended this morning after successfully fulfilling all scheduled tasks through joint efforts by all delegates over the past 5 days. Wan Shaofen, secretary, and Liu Fangren, Ni Xiance, and Xu Qin, deputy secretaries of the provincial CPC Committee, attended the congress to offer their congratulations. On behalf of the provincial party committee, Comrade Xu Qin delivered a speech.

After thorough discussion and democratic elections, the congress set up the Fifth Nanchang City CPC Committee. By secret ballot at the first plenary session and with the approval of the Jiangxi Provincial CPC Committee, the Fifth Nanchang City CPC Committee set up a new leading body. Li Aichun is secretary, and Chen Andong, Jiang Zhongping, Dai Fengzhji, and Shi Jinbei are deputy secretaries of the city party committee. The congress also elected the city Discipline Inspection Commission. Lin Benying is secretary, and (Li Jiqi) and (Xiao Lianjie) are deputy secretaries of the commission.

SHANDONG MILITARY DISTRICT ORGANS READJUSTED

SK211152 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Nov 85

[Text] From 5 to 20 November, organs under the Shandong Provincial Military District underwent structural readjustment on a large scale. The newly readjusted organs began to formally handle official work on 20 November.

Through the readjustment of the organs' structure, the average age of the section chiefs is now 38, a drop of 6.9 years from the age of the former section chiefs. A total of 25.9 percent of the section chiefs possess an educational background at or above the university level, an increase of 10 percent over the former number with this background. The average age of official workers is now 29.1, a drop of 2 years from the age of the former official workers. A total of 22.1 percent of the officials possess an educational background at or above the university level, a 100 percent increase over the former number with such an education. The reorganization of the organs of the provincial military district constitutes an initial success of the People's Armed Forces Departments of the provincial military district in the reeducation in strength reorganization work.

SHANDONG RANKS FIRST IN PRODUCTION IN 22 FIELDS

SK220722 Jinan DAZHONG RIBAO in Chinese 5-6 Nov 85 p 1

[Excerpts] 1. As of the end of 1984, there were 32 counties in Shandong Province whose agricultural output value was double that of 1980, and twice the number of counties of any province in the country.

2. In 1984, the province realized 34.5 million dan in total cotton output, accounting for 31 percent of the national total output and occupying the first place in the country in this regard.

3. The province has long occupied first place in the cultivation acreage of peanuts. In 1984, it turned out 36 million dan of peanuts.

4. In 1984, the province turned out 3.735 billion jin of fruit, with a total apple output of 2.334 billion jin. Both figures rank first place in the country.

5. The province has occupied first place in the country in breeding prawns.

6. The province has occupied first place in the country in gold production, and its annual output accounts for one fourth of the national output.

7. Both the deposits and annual output of diamonds have occupied the first place in the country.

8. In 1984, the province turned out 1.1 million tons of steel, topping steel output scored by the local iron and steel industry throughout the country.

9. The province has scored the highest output in the country in producing freight trucks with more than 8-ton load capacity.

10. Both the deposits and output of graphite in the province have occupied first place in the country, and newly discovered deposits account for 60 percent of the national total figure.

11. In 1984, the province occupied first place in the country in manufacturing matches and turned out 3.936 million jian [pieces] of matches.



12. The Zhangyu Brewery Company founded in 1892 in Yantai City is the first factory of its kind in the country.
13. The Yantai synthetic leather plant, with an annual production capacity of 3 million square meters, which was put into production in November 1984, is the largest plant of its kind in the country.
14. The Longkou power plant in the province is the first power plant in the country jointly built with the investment of both central and local authorities and with an installed capacity of 600,000 kw.
15. The newly-completed Jinan highway bridge over the Huang He, built with pre-stressed construction material, is the longest span in the country.
16. The railway bridge over the Huang He at the border area linking Changyuan County, Henan Province, and Dongming County, Shandong Province, is the longest one in the country, totaling 10,282 meters in length (including the bridge approach) and surpassing the length of the Changjiang Bridge in Nanjing City by 3.05 km.
17. The province is the most important base of marine scientific research, and more than a half of the marine institutes and scientific researchers of the country are located in Shandong Province.
18. The province has taken the lead in the country in studying the manufacture of artificial larynx.
19. The projects with the funds first raised by peasants for large sports and cultural facilities are under construction in Jinan City.
20. The cableway on Tai Shan, built in 1983 between the gates of Zhongtian and Nantian, totals 2,078 meters.
21. The first museum of ancient plant and animal fossils in the country was built at Shanwang, Linqu County, this April.
22. In 1984, deposits of the rural people in the province reached 6,509,100,000 yuan, accounting for 12.3 percent of the national total deposit volume and topping the figure of all provinces in the country.

#### ZHEJIANG LEADERS ATTEND CLASS ON LEGAL KNOWLEDGE

OW241642 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 22 Nov 85

[Text] More than 500 provincial-level party and government leading cadres including those of the provincial CPC Committee Wang Fang, Luo Dong, Shen Guifang, Zhang Ziufu, Li Dexin, and the responsible persons of the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial government and the provincial CPPCC Committee gathered together in the auditorium of the Hangzhou Restaurant this morning to hear lectures on legal knowledge given by Fei Yiming, member of the board of directors of the China Law Society and instructor in legal science. On the basis of the party Central Committee requirement on helping all Chinese citizens broaden their legal knowledge in the next 5 years, the provincial CPC Committee decided that the leading cadres in various provincial-level government organs must take the lead in broadening their legal knowledge by attending lectures on it. Between now and the end of April next year, they must systematically study the Constitution, criminal law, economic law civil law, law of criminal procedure, and other laws. Readers on legal knowledge for cadres will be used as the textbook for those attending the lectures, who will mainly learn by studying the readers on their own. Students will gather once a month to receive guidance in studying. A test will be conducted at the end of the lectures.

LIN RUO URGES PROGRESS IN GUANGDONG MOUNTAINS

HK221141 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 Nov 85

[Excerpts] This morning, the province opened at Shaoguan City the largest meeting on mountainous areas since the founding of the state. Leading comrades of the provincial CPC Committee and the provincial government Lin Ruo, Ye Xuanping, Guo Rongchang and Lin Botang, as well as responsible people from the parties concerned, attended the opening ceremony. More than 1200 people were present.

At today's opening session, Lin Ruo, secretary of the provincial CPC Committee, delivered a long speech entitled "Resolutely Take the Road to Prosperity by Living Off the Mountain." The speech by Lin Ruo consisted of three parts: an estimate of the basic situation in the mountainous areas; a full understanding of the advantages of mountainous areas; and encouragement, with further mobilization of the masses, to take the road to prosperity by living off the mountain and expediting the principle, policies and measures for building the mountainous areas.

Comrade Lin Ruo explained with specific figures that, over the years following the 3d Plenary Session of the 11th CPC Central Committee, the economy of the mountainous areas was more vigorous than ever. Its growth rate was also the highest since the founding of the state. However, compared to the economy of the flatlands, the development of mountainous areas is rather slow.

On expediting the principle, policies and measures for building the mountainous areas, Comrade Lin Ruo said: In order to invigorate the economy of and to expedite the development of the mountainous areas we must go all out to mobilize the masses to struggle through their own efforts, suit measures to local conditions, make full use of advantages, afforest the area on a large scale, and diversify operations. When leading the masses to take the road to prosperity by living off the mountain, CPC committees at various levels should adopt the following measures: 1) Educate cadres and mobilize the masses on the correct guiding ideology of developing and building the mountainous areas. 2) Further implement the policies on the rights of forest areas, and work out supplemental regulations on developing the mountainous areas. 3) Work out comprehensive plans and give specific instructions. 4) Give play to the role of science and technology when developing the mountainous areas. 5) Supervise the areas according to law, and seriously protect forests. 6) Departments concerned at provincial, prefectural and county levels must greatly support the mountainous areas and contribute to helping the people living in the area attain prosperity. 7) Cadres at various levels must really improve the work style of their leadership.

The provincial meeting will last for 7 days. A number of model units will introduce their experiences in developing mountainous areas.

LIAOWANG PROFILES NEW GUANGXI, HENAN PARTY HEADS

HK220225 Beijing LIAOWANG in Chinese No 44, 4 Nov 85 pp 15-16

["Biographical Sketches of Newly Appointed Provincial, Municipal, and Autonomous Regional Party Secretaries: Chen Huiguang (Guangxi), and Yang Xizong (Henan)"]

[Text] Chen Huiguang, 47, a native of Yulin City, Guangxi, graduated from Jiangxi Coal Mining Industry Institute in 1961. He was first a technician and then an engineer in coal mines, and then did leadership administrative work there.

In 1980, he was deputy chief of the Guangxi bureau of coal industry and deputy secretary of the leading party group of the bureau. In 1983, he was elected deputy secretary of the Guangxi Zhuang Nationality Autonomous Regional CPC Committee and concurrently secretary of the Nanning City CPC Committee.

As soon as Chen Huiguang came to office, he traveled to the mountainous areas in Baise and Hechi Prefectures in western Guangxi to carry out in-depth investigation and study and hold get-togethers with the basic-level cadres, peasants, teachers, and scientific and technological workers there. Chen Huiguang held that we had to continue to carry out the policy of recovery in our poor mountainous areas and that the cadres there had to share weal and woe with the people and seek ways to overcome poverty and become rich. He particularly stressed that the cadres working in western Guangxi had to acquire a new understanding of the mountainous areas there, that they had not only to see the backwardness, but also the rich resources and special advantages there, and that they had to make great efforts to turn the latent advantages into real advantages.

After that investigation, Chen Huiguang submitted to the autonomous regional committee an investigation report entitled "Give Play to the Advantages and Change the Features of Our Mountainous Areas as Soon as Possible." Chen Huiguang holds that, in order to reinvigorate Guangxi, the cadres at various levels must strive to do the following:

- 1) They should make greater efforts to study Marxist-Leninist theory, improve their understanding of policies, and lead and support the masses in carrying out the reform.
- 2) They should adhere to the party's democratic centralism, lead the cadres in taking the lead to pay attention to party spirit and the requirements of the overall situation and set an example in adhering to principles and strengthening unity.
- 3) They should conscientiously improve their work style, refrain from empty talk, and perform more actual deeds.

Yang Xizong, the new secretary of the Henan Provincial CPC Committee, went to the rural areas and factories and mines in 17 prefectures and cities in the 3 months or so after he came to office. During these visits, he focused on learning about the reform on the various fronts there.

At a recent provincial get-together on economic structural reform, Yang Xizong pointed out that it was necessary to focus on satisfactorily grasping five aspects of work:

- 1) We should give play to local advantages in natural resources and adapt ourselves to change in the relations between supply and demand in the market;
- 2) we should gradually establish and perfect a complete all-round service system necessary for the development of commodity production;
- 3) we should attach importance to and support various kinds of specialized households and give full play to their positive role in developing commodity economy;
- 4) we should strengthen the construction of small rural towns and enable them to gradually develop and become the economic, trade, information, technological, banking, credit, communications and transport, and cultural and educational centers in areas of a certain size; and
- 5) we should consolidate and develop the ranks of our rural basic-level cadres.

He thinks that if we do these aspects of work well, we will be able to make Henan's rural and urban reform develop synchronously and thus promote the emergence of a new situation in the economic construction all over the province.

Yang Xizong, 56, is a native of Dayi County, Sichuan Province. He studied at Sichuan University in the early fifties. After he began work, he was head of a district tax office in Pengxian County, a secretary to the county CPC Committee, deputy chief of the office of Wenjiang Prefectural CPC Committee, and headmaster of Guanghan Middle School. During the 1960's, he was a magistrate, and deputy secretary and then secretary, of the county CPC Committee in Guanghan County.



From 1979-81, he was secretary of Wenjiang Prefectural CPC Committee. In early 1982, he was transferred to the post of deputy secretary of the Sichuan Provincial CPC Committee and, in that very year, he was elected as an alternate member of the 12th CPC Central Committee. In 1983, he was elected governor of Sichuan Province.

When Yang Xizong worked in the post of secretary of the Wenjiang Prefectural CPC Committee, he implemented relatively early the agricultural production responsibility system, with the system of assigning all-round responsibility to households by contract as the major form. He conscientiously organized and took part in the work of carrying out an experiment on all-round economic structural reform at county level in Guanghan, Xindu, and Qionglai Counties.

#### HUBEI EDUCATES POLICE IN IDEALS, DISCIPLINE

HK220955 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Nov 85

[Excerpts] Since March this year, public security organs at all levels in our province have conducted education in establishing a lofty image of people's police, with education in ideals and discipline as the key point, among public security cadres and policemen. They have scored marked achievements. At present, the political and professional quality of public security cadres and policemen has markedly improved. Nine advanced collectives and some 1,260 cadres and policemen have been awarded citations for merit, first, second, and third classes, or have been commended.

Yesterday, Hubei Province held a symposium in Huangshi City on education in establishing a lofty image of the people's police. Zhang Siqing, deputy procurator general of the Supreme People's Procuratorate, attended the opening ceremony and spoke at the symposium.

#### HUNAN MEASURES FOR SCIENCE, TECHNOLOGY REFORM

HK230601 Changsha Hunan Provincial Service in Mandarin 2300 GMT 22 Nov 85

[Text] The 23 November HUNAN RIBAO carries the text of the views of the provincial CPC Committee and people's government on implementing the CPC Central Committee's decision on reforming the structure of science and technology. The provincial CPC Committee and government have put forward eight views in light of Hunan realities:

1. Resolutely implement the strategic guideline of two essential things.
2. Reform the fund allocation system and increase investment in science and technology.
3. Open up the technology market and clear the channels for the free flow into production of the fruits of technology.
4. Stimulate integration of scientific research, education, planning, and production, and strengthen the enterprises' ability to digest and exploit technology.
5. Establish and put on a sound basis a technological exploitation setup combining agricultural scientific research, demonstrations, and popularization.
6. Further streamline the administration and delegate powers, and seriously do a good job in reforming the research organs.

7. Create an excellent environment in which talented people can fully play their proper role, and fully mobilize the enthusiasm of science and technology personnel.

8. Strengthen leadership and coordinate all sectors to make a success of reforming the science and technology structure.

#### HUNAN PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK210658 Changsha Hunan Provincial Service in Mandarin 1100 GMT 19 Nov 85

[Text] The 6th provincial People's Congress Standing Committee concluded its 16th session today. A plenary session was held this afternoon. The session adopted regulations on the work of the provincial People's Congress Standing Committee and the decision on strengthening statistical work.

In connection with the Constitution, the NPC law on organizations, and the decisions of relevant documents of the NPC Standing Committee office, the session held a by-election and elected comrade Jiao Linyi delegate to the sixth NPC. The session also adopted the decision on reorganizing the chairman and members of the credentials committee for Standing Committee members of the provincial People's Congress. Comrade Huang Daoqi, vice chairman of the provincial People's Congress Standing Committee, was appointed chairman and member of the credentials committee for Standing Committee members of the sixth provincial People's Congress. In connection with the proposal of Comrade Jiao Linyi, the session appointed (Zhang Shengbiao) and (Meng Huanxhi) deputy secretaries general of the provincial People's Congress Standing Committee, and appointed (Zhao Yangheng) concurrent deputy secretary general of the provincial People's Congress Standing Committee.

In connection with the proposal of Governor Xiong Xinquan, the session appointed (Zhang Kailian) director of the provincial Price Bureau and removed Ma Yi from office, and appointed (Qi Baoyuan) director of the provincial Finance Department. The session also adopted other appointments and removals.

Chairman Jiao Linyi attended the session and made a speech. Vice Chairman Huang Duoqi presided over the session, which was attended by Vice Chairmen Ji Zhaoqing, (Wei Qianguai), Qi Shouliang, Shi Bangzhi, Kong Anmin, Xie Xinying, and Li Tiangeng.

The session was also attended by Vice Governor Yang Huiquang; responsible persons of the provincial People's Higher Court, the provincial People's Procuratorate, and departments concerned of the provincial government; of the People's Congress Standing Committee from Xiangxi Tujia-Miao Nationality Autonomous Prefecture, the six cities directly under the jurisdiction of the provincial authorities, and some counties and cities; and of liaison teams responsible for the work of people's congresses in various localities.

SICHUAN MEETING DETAILS PRICE CONTROL MEASURES

HK220239 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Nov 85

[Text] The provincial People's Congress Standing Committee held a meeting yesterday for 33 Chengdu Standing Committee members. At the meeting, Jing Rongsheng, director of the provincial Commodity Price Bureau, delivered a report on commodity prices on behalf of the provincial people's government. Vice governor Pu Haiqing also gave additional explanation at the meeting. After reporting the situation and problems in pricing reforms, Jing Rongsheng proposed four measures to control commodity prices this winter and spring.

First, with great determination, we should strive to do well in the work and to stabilize prices of pork, vegetables, edible oils, eggs, and other major nonstaple foods.

Second, we should further do well in the large-scale examination of commodity prices, and strengthen the supervision over and management of commodity prices.

Third, we should further grasp well the work of enterprises that produce light industrial products, absorbing part of the rise in production cost, and strengthen our guidance and control over the prices of means of production for extrabudgetary projects.

Fourth, we should strengthen price control in urban and rural agricultural and trading markets, as well as for businessmen and peddlers.

In the course of discussion, committee members expressed their satisfaction at the progress and results of the province's reform of the pricing system. At the same time, they pointed out some current problems in the work and put forward suggestions. He Haoju, chairman of the provincial People's Congress Standing Committee, made a speech. Meng Dongbo, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting, which was attended by chairman Qin Chuanhou, Ji Chunguang, Liu Yunbo, Liu Xilin, Zhaxi Zeren, and Wang Yanli.

SICHUAN COMMENTARY ON DECLINE IN GRAIN OUTPUT

HK220343 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 22 Nov 85

[Station commentary: "Use a New Concept in Viewing the Economic Situation in the Rural Areas"]

[Excerpts] Grain production in some parts of Sichuan declined this year compared with last year. As a result some comrades question whether the economic situation in the rural areas is good. Is this situation in fact good or not? It is not hard to reach the correct conclusion so long as we make an all-round analysis of rural economic development this year. This conclusion is that the situation is fine.

Sichuan scored a new record in output of industrial crops this year. Rapeseed output reached 2.2 billion jin. Output of most types of industrial forests and trees also increased, including an estimated output of 1.1 billion jin of tangerines. An excellent situation of unprecedentedly sustained development has emerged in animal husbandry. The number of pigs is expected to exceed 100 million. Total output value of the township and town enterprises may exceed 10 billion yuan. The average peasant income has exceeded 300 yuan for the first time.



Although grain production has dropped after 8 successive bumper years, output was still up to the bumper level of 1982. Therefore, so long as we view grain output in the context of the entire rural economy this year, we will see very clearly that the province's rural economic situation is very good.

Why then can we not obtain a correct and all-round view of the rural economic situation by just looking at grain production? Because, in the wake of the readjustment of the production structure and the development of commodity economy, the rural self-sufficient and semi-self-sufficient economy has started to change, and some flexibility has appeared in the pattern of 80 percent of the peasants growing food. All rural sectors have genuinely started to develop. Grain production, therefore, can no longer be regarded as the sole hallmark for judging the rural economy. The correct way of observing the rural economic situation should be, while looking at grain production, to see whether agriculture, forestry, animal husbandry, sideline occupations, fisheries, industry, commerce, and service trades have recorded all-round development and whether the peasants' net income has increased. Otherwise we will be prone to adopt a one-sided view.

Of course, while talking of change in the traditional view of judging the rural economic situation by grain production, this does not mean in the least that grain production can be relaxed. This is because our grain output is still not completely up to the mark. At present the CPC Central Committee has given a timely reminder to leaders at all levels to continue to get a good grasp of grain production. This is extremely important.

The party and government departments in the province have taken some corresponding measures to stabilize grain production in light of existing problems, such as by controlling the reduction of arable land, avoiding as far as possible blindness in carrying out readjustments, striving to stimulate the peasants' enthusiasm for growing grain, correcting the idea of slackening grain production, making preparations for resisting natural disasters, and so on. We believe that there are good prospects for reaping increased grain output next year and in the years to come.

#### SICHUAN TO ACT ON PROBLEMS OF FRONTLINE TROOPS

HK220345 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 22 Nov 85

[Text] In mid-November, after listening to a report given by the provincial group for comforting the Yunnan PLA frontline units on the heroic battles waged by the troops there, and on the practical problems facing them, the Sichuan Provincial CPC Committee and people's government and their organs decided that the following items of work should be undertaken to solve a number of practical problems of the frontline units and ease the domestic worries of the cadres and fighters:

1. Convene a provincial civil affairs work meeting, further implement the policies on supporting the Army, and giving preferential treatment to its dependents, and do a good job in resettling ex-servicemen and disabled servicemen.
2. The government and civil affairs departments at all levels should solve, as far as possible, the domestic difficulties of PLA personnel, especially those engaged in frontline combat.
3. The government and the departments concerned should attach a high degree of importance to problems and demands reported in letters from frontline cadres and fighters, carry out serious investigations, solve the problems properly, and review the results of the solutions.

4. High-quality wines from frontline personnel's home counties should first be sent to the frontline, to express the feelings of the provincial CPC Committee and government and the people of the whole province. In the future this should be included in the plans, and the wine should be periodically sent to the frontline.

5. A large number of electric shavers should be sent to the frontline, to ensure that every cadre and fighter there has one for use.

6. The people of the whole province should regard the frontline cadres and fighters as an example, emulate their heroic deeds and lofty thinking, work hard to develop production, and provide vigorous material and financial support to ensure the combat needs of the frontline units so that they can defend the great southwestern gate of the motherland.

#### XIZANG CADRE DISCIPLINED FOR FRAMING SECRETARY

HK240355 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Nov 85

[Excerpts] (Ziren Gongbu), deputy manager of the Suoxian County grain and oil company and a party member, was recently subjected to severe party and administrative discipline for framing others and gravely violating party discipline. From September last year to April this year, (Ziren Gongbu) sent six anonymous letters to the Naqu Prefectural CPC Committee, commissioner's office, Discipline Inspection Commission, and Organization Department, laying false charges against Comrade (Chang Ming), secretary of the Suoxian County CPC Committee. In addition he talked in slanderous fashion about Comrade (Chang Ming) on many occasions.

Repeated investigation and verification by the discipline inspection departments has shown that the problems he reported in the anonymous letters were all at variance with the facts and were pure attempts to lay false charges against (Chang Ming) and frame him. In view of the facts of (Ziren Gongbu's) errors and his attitude toward them, the Naqu Prefectural CPC Committee has decided after study to observe his behavior for 2 years and to dismiss him from his post as deputy manager of the grain and oil company. A notice relating the errors of (Ziren Gongbu) is to be sent throughout the prefecture.

#### Station Editorial Note

HK240357 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Nov 85

[Station editorial note]

[Text] Fabrications, lies, fake materials, unscrupulous leveling of charges, and dealing blows at and framing leading cadres were the tricks habitually used by the gang of four and their ilk during the Great Cultural Revolution. These were the direct causes of numerous miscarriages of justice.

The facts of the errors of (Ziren Gongbu), former deputy manager of the Suoxian County grain and oil company and a party member, show that although the Great Cultural Revolution ended nearly 10 years ago, its pernicious influence has by no means been completely eliminated. At present, to conduct education in totally negating the Great Cultural Revolution for party members and cadres and to thoroughly eliminate leftist influence in Xizang is certainly not just singing an old tune again but has specific content and practical significance. This is very closely related to straightening out the ideological line of leading cadres at all levels, developing the excellent situation in the region, creating a new situation in all work, and further correcting party style.

The state Constitution stipulates that citizens are not permitted to frame people. The criminal code also stipulates what this crime entails. However, from the facts of (Ziren Gongbu's) errors, we can see that some party members, including even some grass-roots leading cadres, have a shocking ignorance of the law. Such blindness is really terrible. To conduct extensive and protracted education in legal knowledge for the masses, especially the party members and leading cadres, is extremely essential. We must ensure that party members understand that the law is not just for governing the people. Under the socialist system, the law is equally applicable to everyone. We must ensure that everyone is equal before the law. It is not enough to mete out party disciplinary punishment or dismiss from their posts party members and leading cadres who violate the law. It is also necessary to hold them legally accountable.

#### YUNNAN HOLDS RALLY FOR TAKING STOCK OF COMPANIES

HK240359 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 23 Nov 85

[Excerpts] The provincial CPC Committee and government held a mobilization rally in Kunming on 23 November for further taking stock of and sorting out the various kinds of companies. Li Shuji, deputy secretary of the provincial CPC Committee, presided.

Vice Governor Ji Renqing delivered a report entitled "Be Unswerving, Active, and Steady in Further Taking Stock of and Sorting Out the Various Companies." He said: according to initial statistics, there are over 3,000 companies and centers of various types in Yunnan. Since the end of last year, we have unearthed a number of cases in the course of taking stock of and sorting out these companies, and some success has been achieved. However, quite a number of comrades still lack sufficient understanding of this issue and fail to give it sufficient importance. Certain people even obstruct the work. Some areas and departments have failed to take effective steps. As a result the work has made only slow progress and is not thorough.

In view of this, the provincial CPC Committee and government have decided to set up a leadership group to provide specific guidance for this work throughout the province.

The key to taking stock of and sorting out the various companies and centers and strictly banning party and government organs and cadres and the children of leading cadres from running business and enterprises lies in strengthening leadership. The party committees and government at all levels must attach a high degree of importance to this work, put it in an important place on their agenda, and get a really good grasp of it.

The provincial CPC Committee and government have decided to spend the next 2 and 1/2 months carrying out this work. Good results should be achieved before the spring festival. The provincial CPC Committee demands that the party and government departments and all party members, cadres, and masses take immediate action to seriously study the relevant policies and actively plunge into this work. They should thus make new and still greater contributions to implementing the principle of opening up to the world and enlivening the domestic economy and to stimulating the healthy development of reforms of the the economic structure.



YU QIULI ON NEED TO STEP UP PLA POLITICAL WORK

HK250244 Hong Kong MING PAO in Chinese 25 Nov 85 p 5

["Special dispatch from Beijing": "Yu Qiuli Points Out at Nanjing That There Are Problems in PLA Party Work Style and Political Work Must Be Stepped Up"]

[Text] The Chinese PLA will step up political work, straighten out party work style, enforce party discipline, and strive to bring about a fundamental turn for the better in PLA party work style this year or next year.

In his speech at the Nanjing Military Region's office workers meeting on 16 November, Yu Qiuli, director of the General Political Department, pointed out: There are quite a few problems in the PLA party work style at present. The party committees, discipline inspection commissions, and political organs at all levels must grasp rectification of party work style and enforcement of party discipline as an important matter and strive to bring about a fundamental turn for the better in the army party work style this year or next year. To be specific, there are mainly four tasks:

First, it is necessary to step up education in party spirit. The most fundamental way to straighten out party work style is to enhance the party spirit of party members through ideological and political work. The heart of the matter in enhancing party spirit is to form a communist world outlook and a communist outlook on life and to foster the idea of serving the people heart and soul so that the interests of the individual and the part can be subordinated to those of the party and the whole and the immediate interests can be subordinated to the long-term interests. In this way we can lay an ideological basis for the rectification of party work style.

Second, leaders should play a leading role. Officers at leading posts who are party members should match words with deeds, set examples, and play a leading role in straightening out party work style. As long as leading cadres are honest and upright in their ways, their subordinates will not engage in unhealthy practices. Even if some people do engage in unhealthy practices, it will not be difficult to rectify them.

Third, it is necessary to observe discipline. An important cause for the serious problems in party work style is lax ideological and political work and discipline and failure to take effective measures to straighten out party work style. In dealing with serious malpractices and illegal activities, some officers dare not offend the culprits. It is absolutely necessary for party committees at all levels to uphold principle, to foster the spirit of being highly responsible to the party and the people, and to enforce discipline. With regard to some serious malpractices and illegal activities, it is absolutely necessary to deal with them strictly according to the seriousness of the cases, criticizing or taking disciplinary action against the culprits. Those violating the criminal law should be punished according to the law.

Fourth, it is necessary to improve the farsightedness of our work. With the constantly developing situation and changing circumstances, new problems will constantly emerge. Army leaders should be sober-minded and keen-eyed. They should frequently analyze the problems that may emerge under various circumstances and have a pretty good idea of what measures to take.

It has been learned that like party and government organs, quite a few people in the army try to skirt around problems in rectifying party work style and enforcing party discipline. The phenomenon of "paying attention to hygiene by covering one's nose with one's hand" is fairly widespread. Some even "turn a blind eye" to unhealthy practices and take an indifferent attitude toward them. This is chiefly because they dare not offend people and lack confidence, being afraid that antagonizing too many people will bring disaster upon themselves.

JI PENGFEI ON PROMULGATION OF BASIC LAW IN HONG KONG

HK230222 Hong Kong TA KUNG PAO in Chinese 23 Nov 85 p 1

["Special dispatch" from correspondent Hou Tung-hai: "Ji Pengfei Views Hong Kong in 1990, Says It Should Then Be Making the Transition Along the Lines of the Basic Law"]

[Text] Beijing, 22 Nov -- Ji Pengfei, state councillor and director of the Hong Kong and Macao Office of the State Council, said when receiving Hong Kong Urban Council Chairman Hilton Cheong-leen this afternoon, we hope that the basic law can be officially promulgated in 1990; 1990 is about halfway through the transition period, and to ensure a smooth handover of sovereignty in 1997, starting in 1990 Hong Kong should be gradually making the transition along the lines of the basic law.

Ji Pengfei also said that the contents of the Sino-British Joint Declaration on the Hong Kong issue will be written into the basic law, which will also make explicit provisions regarding the administrative structure of the Hong Kong Special Administrative Region, which was not mentioned in the joint declaration. He hoped that the people of Hong Kong will put forward more views and suggestions on the drafting of the basic law.

Ji Pengfei also said that the use by China and Britain of the concept of "one country, two systems" in solving the Hong Kong question has had a tremendous and unthinkable international impact. He said, China means what it says in international affairs and enjoys a very high international reputation. We have said that there will be no changes in Hong Kong for 50 years, and the Hong Kong people should have firm confidence in this. Hong Kong can certainly be governed well in the future. This includes two aspects, trust in their own hard work, wisdom and skill, and trust that the policies laid down by the central authorities will not change.

When Hilton Cheong-leen spoke on Hong Kong's recent efforts to alleviate the threatening situation caused by U.S. protectionism, Ji Pengfei said that this is an international problem. Many countries in the world, including Japan and other Asian countries, and even Britain, are opposed to this protectionism. We have long proposed opposing U.S. protectionism. Although the U.S. bill has been passed in Congress, will it in fact be workable? Your protectionism may "protect" your imports, but in turn it may affect your exports. I think the United States cannot but ponder this deeply.

Hilton Cheong-leen went to Beijing while visiting relatives in China. Li Hou, deputy director of the State Council's Hong Kong and Macao Office, and Lu Ping, secretary general, were present at the meeting. Li Hou gave a banquet after the meeting.

HONG KONG REACTION TO XU JIATUN'S REMARKS ON REFORM

## Officials Meet

HK230416 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 85 p 1

[By Michael Chugani]

[Text] Hong Kong's most senior officials, headed by the Governor, Sir Edward Youde, met in urgent session yesterday to deal with a growing storm triggered by China's tough warning that it is against radical political reforms here.

Policy-makers spent much of yesterday morning hammering out a suitable response to the political bombshell dropped by Beijing's top man in Hong Kong, Mr Xu Jiatun, who made clear on Thursday China does not favour changes to the current structure of the local government.

Also at yesterday's top-level government house meeting were two senior British Government officials, Dr David Wilson and Mr Tony Galsworthy, who are in Hong Kong preparing for next week's Joint Liaison Group [JLG] meeting in Beijing.

Dr Wilson is the leader of the British side of the JLG and Mr Galsworthy heads the Hong Kong department at the Foreign Office.

Government officials were clearly taken aback by the forcefulness of the Beijing message, coming as it did in the first press conference given by Mr Xu since he took over the reins of the NEW CHINA NEWS AGENCY 2-1/2 years ago.

Mr Xu warned of possible "misfortune" if Britain and China aim towards different political systems for Hong Kong. He urged that political changes fall in line with the Basic Law -- Hong Kong's future constitution which is to be produced by a Beijing-appointed committee.

Despite Mr Xu's tough warning, British thinking yesterday still reflected a determination that political changes should be allowed to continue. The British side apparently feels that since political reforms in Hong Kong were put in train before the signing of the 1997 agreement, there is no reason why changes should now come to a halt. It is also felt that since the Sino-British agreement clearly states there should be an elected legislative council, the process of achieving this aim should not be halted. The British side is apparently worried that credibility in the Hong Kong system could suffer if the high degree of political autonomy it now enjoys becomes dependent on a new set of rules devised by China.

China has dropped numerous hints of its suspicions over British intentions here in the years leading up to 1997 and wants a halt to reforms that will eventually create what Beijing sees as a highly independent, pro-British Hong Kong administration. Britain, on the other hand, insists that Hong Kong must be allowed to evolve politically at a pace it chooses if a fresh crisis of confidence is to be avoided.

British thinking apparently is that if China faithfully carries out its pledge to consult the people of Hong Kong on changes, the views gathered will not differ from the views gathered by the local administration on reforms, which means local changes will automatically fall in line with the Basic Law.

#### Governor Comments

HK230424 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 85 p 10

[By Stanley Leung and Agnes Chen]

[Text] The governor, Sir Edward Youde, said last night that the British side had not deviated from the spirit of the Joint Declaration.

The chief secretary, Sir David Akers-Jones, also emphasised that both China and Britain had been adhering to "the spirit and the letter" of the Joint Declaration and that the 1987 review on political reforms would go ahead as scheduled.

Sir Edward, speaking after the Silver Jubilee dinner of the Hong Kong Management Association, said he was confident that Britain, China and the people of Hong Kong would devise an enduring structure which would allow a smooth transition in Hong Kong.



Sir Edward was asked to comment on the speech by China's chief representative here on Thursday. "As far as we are concerned, both sides are very firmly committed to the scrupulous carrying out of the Joint Declaration, and both governments have made quite clear that is what they are intent on doing. "...I don't think there have been any changes since I spoke to the Legislative Council about three weeks ago. I said I think the two governments would each be alive to the views and concerns of the other and the concern of the people of Hong Kong. I was quite confident that on that basis, we could devise a structure that will endure and which I thought would enable us to have a smooth transition," Sir Edward said.

On Thursday, the Director of the local branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun, warned of current moves indicating a deviation from the spirit and principles of the Joint Declaration. Asked to comment on this, Sir Edward said: "I don't know what Mr Xu had in mind and I think you must ask him about that."

The chief Secretary, Sir David Akers-Jones said last night as far as he was aware, both China and Britain had been adhering to "the spirit and the letter" of the Joint Declaration. Asked whether he felt Mr Xu was perhaps dictating to the Hong Kong Government the pace of political reforms, Sir David said: "Certainly not...Mr Xu was merely repeating what we have said and that is the change should be gradual."

#### Political Leaders Respond

HK230512 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 85 p 10

[Text] Beijing's stance on Hong Kong's political reforms revealed by Mr Xu Jiatun, director of the local branch of the NEW CHINA NEWS AGENCY, stirred concern among political leaders and commentators yesterday.

One warned that Hong Kong's stability and prosperity might be affected and the process of democratisation impeded in face of the apparent discord between China and Britain over political reforms in the territory.

Another said Mr Xu's remarks forewarned of Beijing's intervention in Hong Kong affairs and was sabre-rattling ahead of the Joint Liaison Group meeting in Beijing next week.

Mr Xu said at press briefing on Thursday: "We cannot overlook the trend that some things have deviated from the Sino-British Joint Declaration.... Such deviations will have damaging effects." He did not specify what "things" had deviated.

Political leaders and commentators said they were left in a quandary about Mr Xu's remarks on "deviations." The deviations, apparently referring to political reforms, are thought to mean steps taken by the British Government towards political reforms and the opinions voiced by the community and political groups in particular, one said. Most of them said they could not detect any "deviations," however.

One political analyst said some form of representative government must be introduced in face of political changes in Hong Kong to achieve a highly autonomous SAR [Special Administrative Region] government. "I don't like to see the Chinese-style of democratic consultation introduced to the post-1997 government," he said.

A lecturer of Chinese University's Government and Public Administration Department, Dr Joseph Cheng, said Beijing and London should make known their "understandings" on the post-1997 framework of Hong Kong.

The apparent discord might have resulted from different interpretations of the clauses on political structure in the Joint Declaration, he said.

A commentator Mr T.L. Tsim, said Mr Xu's comments were "expected." Beijing has harboured deep distrust over political reforms introduced by Britain, he said.

Beijing's top leaders also did not expect to have an SAR government solely accountable to the people of Hong Kong after 1997.

Chairman of the Hong Kong Affairs Society. Dr Huang Chen-ya, said it was a good thing Beijing revealed its concern on local political developments. He said Hong Kong people should voice their opinions now.

#### Newspaper Editorial

HK230520 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 85 p 2

[Editorial: "Straining at the Straightjacket"]

[Text] The warning sounded by Beijing's top official in Hong Kong, Mr Xu Jiatusun, about proceeding with political reform before 1997 is cause for serious concern on several fronts.

It brings into the open fundamental differences between Britain and China over interpretation of the "spirit" of the Sino-British Joint Declaration. It will be seen by many as China interfering in the internal development of Hong Kong before the territory is returned to Beijing. And it suggests that China wants to stop the clock on Hong Kong's political evolution at the point when the Joint Declaration was initialled and signed last year.

The timing of Thursday's unprecedented press conference by Mr Xu, the head of the NEW CHINA NEWS AGENCY in Hong Kong, is worth noting. It enabled him to lay cards firmly on the table before the second meeting of the Joint Liaison Group [JLG] in Beijing next week. It also coincided with the arrival in Hong Kong of the leader of the British side on the JLG, Dr David Wilson.

Mr Xu, on the one hand, disassociates China from political reforms carried out by the British during the transition period. On the other, China evidently wants to set parameters within which Hong Kong's political evolution can take place.

By a process of elimination, it appears Beijing is prepared to tolerate little more than a tidying up of colonial leftovers on the statute books between now and 1997, leaving the existing system largely intact.

In other words, the Hong Kong body politic is being offered a garment that looks suspiciously like a straightjacket -- tailored in 1984 to last for 62 years.

Mr Xu's remarks did not come out of the blue. The director of the Hong Kong and Macao Affairs Office, Mr Ji Pengfei, warned a month ago of "chaos" if there were drastic changes in Hong Kong delegation that political reforms in the territory should be introduced in a way compatible with the Basic law.

Mr Xu not only reiterated this stand but went further by saying that current moves indicated a deviation from the spirit and principles of the Joint Declaration. He declined to pinpoint the offending moves and the official Foreign Office line last night was that they had "no idea" what is in Mr Xu's mind.

But it is widely believed that China is unhappy about: September's indirect elections, which put more Unofficials on the Legislative Council [Legco]; current talk outside the council in favour of phasing in direct elections to Legco from 1988; mounting sentiment that Legco should debate and take a position on the Basic Law; the possibility that political parties may be formed in Hong Kong, and a perception by China that Britain has recently accelerated the pace of political change.

These developments have aroused China's suspicions of a British plot to hand back a system which allows pro-British influence to linger and which goes against both the Joint Declaration and the future basic law.

Counter suspicions suggest that Beijing is conducting a campaign to slow down processes change in Hong Kong by warning people off substantive political reform until China can take over.

In an atmosphere of mutual suspicion it is not surprising that differences arise over what constitutes the spirit of the Joint Declaration and what can fairly be described as "drastic" change. But it is in nobody's interests -- least of all, Hong Kong's -- that suspicion should be allowed to displace the harmony and goodwill which accompanied the Joint Declaration.

The question that many people are asking as a result of Mr Xu's press conference is: Whatever happened to the idea of Hong Kong people ruling Hong Kong? It is hard to see how this can be achieved smoothly if the political system is basically frozen at last year's level for the next 11-1/2 years.

It would put the clamps on evolutionary processes which began long before the Joint Declaration was finalised and which already feature direct elections to the Urban Council and district boards. Instead of enabling Hong Kong to mature politically and face future challenges, a freeze would keep the territory in a state of political adolescence.

The Government, ever aware that it has to toss off any suggestion of being a lame duck administration, responded to Mr Xu's remarks yesterday with cool, reassuring words.

The Chief Secretary, Sir David Akers-Jones, said that both sides have adhered to both the spirit and the letter of the Joint Declaration. He brushed aside suggestions that Mr Xu's remarks could de-rail the planned 1987 review of political reform.

London last night was adamant that China and Britain will be alive to each other's concerns and views as well as the views of Hong Kong people. Indeed, the Foreign Office statement suggests that it does not see a problem in what Mr Xu said and it merely reiterates that both sides remain "firmly committed" to the mutual goal of maintaining the territory's stability and prosperity. But the matter cannot rest there.

There can be little doubt that Mr Xu has laid bare China's present position and that this hinges on a different interpretation of political change, in the context of the Joint Declaration. In the interests of a smooth transition and of upholding confidence, these differences must be addressed and resolved -- and the sooner, the better.



## HSIN WAN PAO Column

HK221412 Hong Kong HSIN WAN PAO in Chinese 22 Nov 85 p 1

["New Talk" column: "Director Xu Makes Earnest But Not Stern Remarks"]

[Text] At a press conference yesterday, Director Xu Jiatun touched on numerous issues, such as the representative government and the basic law.

In summary, he discussed the following three aspects: First, he briefed the audience on the stand expressed by the responsible persons of the Ministry of Foreign Affairs and the state regarding the representative government; second, he explained the question of "changes and absence of changes" in the 12-year transitional period, clearly spelling out his unwillingness to witness the emergence of "great changes in the next 12 years and an absence of changes in the following 50 years"; and third, he pointed out that only when both the Chinese and British Governments resolutely and earnestly act in accordance with the Sino-British agreement will it be possible to preserve the prosperity and stability of Hong Kong. He said that the Chinese Government will resolutely, thoroughly, and completely act in accordance with the Sino-British agreement but that we "cannot help detecting a tendency to deviate from the agreement."

The questions raised by reporters and answered by director Xu Jiatun were all popular topics in Hong Kong society in recent days. They have been discussed by Hong Kong Government officials, noted figures, and the press. It is not only proper but also necessary for director Xu Jiatun to express his own views (naturally, some of the views are shared by the Chinese Government). In the face of such a complex situation and in an atmosphere of divergent views, many Hong Kong compatriots want to understand China's attitude and to hear director Xu's explanations. Only in this way can they gain a comprehensive understanding of the problems and accurately analyze them. People know that Hong Kong will still be governed by the British Government over the next 12 years and that the Chinese Government will not be involved in some Hong Kong affairs. However, Hong Kong will be returned to China in 1997. People cannot but listen to the views of the Chinese Government on various issues extending from the transitional period to the years after 1997. Otherwise, how can we ensure a smooth transfer on the basis of prosperity and stability?

People can get some enlightenment from the following remarks by director Xu.

He said: "Prior to and in the course of the Sino-British talks, people from all walks of life in Hong Kong, including the British Government, demanded and hoped that China would not change (the economic and social system of) Hong Kong. In line with the universal aspirations of the Hong Kong compatriots and the desire of the British Government, the Chinese Government formulated its principles and policies..." Nobody can deny this fact, which remains fresh in people's memory. However, after China made a pledge and affirmed in the joint declaration that there would be "no change for 50 years," people heard the following unspoken words: "You should not change but I can" or "You will take over after I effect changes." If these unspoken words continue to be put into effect, can we still talk about acting in accordance with the Sino-British agreement? Indeed, things are changing all the time. Without change, things will become rigid. However, changes relating to political systems are changes of fundamental significance. They should be carried out in accordance with the contents and principles laid down in the Sino-British joint declaration.

Director Xu has made earnest but not stern remarks on issues which have created a sensation. He earnestly hopes that Hong Kong will continue to be prosperous and stable. After the issues have been clarified, people will know how things stand and rationally analyze and approach certain phenomena. Such concerted efforts are likewise conducive to the preservation of Hong Kong's prosperity and stability.

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